



Rural Illinois: Working Towards a Brighter Future

Annual Report to the Governor
And General Assembly

Prepared by

Illinois Institute for Rural Affairs
Western Illinois University

In consultation with

Lt. Governor Evelyn Sanguinetti, Chairperson of the
Governor's Rural Affairs Council

August 1, 2016

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MEMBERS OF THE GOVERNOR’S RURAL AFFAIRS COUNCIL

Member Agencies and Associations of the Governor’s Rural Affairs Council

Office of the Lt. Governor. The Lt. Governor chairs the Governor’s Rural Affairs Council
Illinois Agricultural Association / Illinois Farm Bureau
Illinois Community College Board
Illinois Department of Agriculture
Illinois Department of Commerce and Economic Opportunity
Illinois Department of Employment Security
Illinois Department of Human Services
Illinois Department of Natural Resources
Illinois Department of Public Health
Illinois Department of Transportation
Illinois Department on Aging
Illinois Environmental Protection Agency
Illinois Finance Authority
Illinois Housing Development Authority
Illinois Institute for Rural Affairs
Illinois State Board of Education
Rural Partners
Southern Illinois University, Center for Rural Health and Social Service Development
University of Illinois – Cooperative Extension

Citizen Members

Luke Allan
Todd Kaeb
Heather Hampton-Knodle
Doug Hanks
Sonja Reece
Larry Richards

Ex-Officio Members

Norman Walzer, Northern Illinois University, Center for Governmental Studies
Colleen Callahan, USDA—Rural Development (Illinois)

PURPOSE OF THE GOVERNOR'S RURAL AFFAIRS COUNCIL

The purpose of the Governor's Rural Affairs Council is to develop and implement strategies for improving delivery of State of Illinois services to rural Illinois and to expand opportunities and enhance the quality of life for rural residents. The Lieutenant Governor, as Chairperson of the Governor's Rural Affairs Council, and the Illinois Institute for Rural Affairs at Western Illinois University, shall continue to issue an Annual Report in accordance with Executive Order 4 of May 18, 2011, and Executive Order 13 of October 11, 1991.

Copies of these Executive Orders are located in the Appendices

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Executive Summary

Each year, by Executive Order, the Illinois Institute for Rural Affairs (IIRA) at Western Illinois University (WIU) is required to submit a report on the economic and social conditions of rural Illinois. The IIRA does this in consultation with the Governor's Rural Affairs Council (GRAC), chaired by the Lieutenant Governor. The 2016 report unfolds in two parts. Part one outlines the history of the GRAC and summarizes four major trends affecting rural communities in the State. Part two explains the formation of four working groups comprised of GRAC members. This section further outlines the policy priorities of each working group, and the plans identified by each group to address these policy issues.

The four main issues affecting rural communities described in this report include: population decline and aging, unemployment, wages and income, and workforce development. Rural Illinois has experienced long term population decline. In 1990, Illinois nonmetropolitan counties had 1,534,076 people. By 2015, that population declined to 1,487,454. From this population decline stems several other themes. Fueled by the wage gap between urban and rural communities, population decline has occurred in part through youth outmigration. This means that the average age of the rural population is becoming disproportionately old when compared to urban communities. Consequently, rural communities are increasingly more reliant on transfer payments such as Medicare and Social Security.

As the population ages, health care issues become more challenging both from the perspective of the increased need for medical services and potential shortages in health care workers. As young people leave rural communities, it also means that there is a growing need for skilled workers in other industries. Rural communities still rely on manufacturing for a significant part of their economic base. This workforce skills gap is also an issue for rural school districts which are already reporting teacher shortages. But with fewer young people living in rural places, there is concern for the future of the rural workforce, both for the number of people that will be available to work, and in the kinds of skills these workers will have. The challenge of rural population decline is a complex one to resolve. Entrepreneurship is one strategy that has been used with some success as young people recognize that a rewarding career can be found in rural places by starting a new business. But capital constraints, regulatory strictures, and tax hurdles remain as significant obstacles to entrepreneurial success.

The GRAC was originally created to spur collaboration among state agencies to improve the quality of life in rural Illinois. While this has occurred, the current Lt. Governor created four working groups to further promote interagency collaboration. The four working groups include: economic development, workforce development, health, and education. Each working group is populated by representatives from different agencies so that each working group has a diversity of viewpoints and experiences. While working independently, each working group concluded that rural communities must address workforce development and the growing skills gap if rural places are to thrive. Rural schools, health care facilities, and manufacturers all struggle to find skilled workers. One of the big challenges affecting rural communities, in addition to rural outmigration, is the inequitable K-12 school funding formula which also hampers workforce development in rural Illinois. A solution to these challenges will involve systemic public school funding reforms. But rural communities can also find solutions by, for example, working with state agency programs, and by working locally to focus on entrepreneurship and agriculture as part of the foundation for the rural economy.

INTRODUCTION

In 1991, Executive Order 13 issued by Governor Jim Edgar stipulated that the Governor's Rural Affairs Council (GRAC), chaired by the Lt. Governor, issue an annual report providing an overview of economic conditions in rural Illinois. The Executive Order specifically assigned the Illinois Institute for Rural Affairs (IIRA) at Western Illinois University (WIU) the task of compiling the report on behalf of the GRAC. In 2011, Executive Order 11-4 reconfirmed that the IIRA be responsible for producing an annual report on behalf of the GRAC (Appendix A and B).

The GRAC was founded almost 30 years ago in October 1986 to provide a voice to the farmers, businesses, and residents of rural Illinois who contributed to the success of the state, but who sometimes felt that the larger cities in the state received a disproportionate share of attention from policymakers in Springfield and Chicago. The purpose of the GRAC is draw attention to rural Illinois, and to develop and implement strategies to expand opportunities, and enhance the quality of life for rural residents.

Instead of launching new programs, the GRAC is designed to better coordinate existing state agency programs to improve rural Illinois – and address issues that would otherwise not receive attention. The purpose of this report is to document the current economic conditions in rural Illinois. It also describes ongoing collaborations by GRAC members to address rural development issues.

Lieutenant Governor Evelyn Sanguinetti

When Lt. Governor Evelyn Sanguinetti became chair of the GRAC in 2015, she initiated changes to make the GRAC a greater resource for lawmakers and state agencies. In her first year of office, she visited all 102 Illinois counties to meet with local leaders, business owners, community stakeholders, and residents to discuss the issues impacting rural Illinois. Following this tour, the Lieutenant Governor formed four standing working groups to focus on economic development, workforce development, rural health, and education. To assist working groups in formulating administrative and policy recommendations, Lt. Governor Sanguinetti entered into a Memorandum of Understanding (MOU) with IIRA. The MOU outlines how IIRA will provide detailed reports focused on the aforementioned working group issue areas to coincide with the 30 year anniversary of the Governor's Rural Affairs Council. These reports will be released with corresponding administrative and legislative policy recommendations in October 2016.

Role of the Illinois Institute for Rural Affairs

The IIRA was founded in 1989 to complement and support the GRAC. The IIRA conducts research related to rural development and provides educational programming such as the annual rural development conference hosted in partnership with the GRAC and Rural Partners. It also delivers technical assistance on topics such as small business and economic development, rural transit, community health, strategic visioning, housing, renewable energy, and cooperatives, among other issues.

In order to successfully deliver its services, the IIRA works closely with other GRAC member agencies, GRAC working groups, the Office of the Lt. Governor, local community stakeholders, and other rural institutions. Its mission is defined in part through the Governor's Executive Order 11-4 which identifies the IIRA as the "academic clearinghouse in the State of Illinois for rural development initiatives" and further stipulates that it will "coordinate rural development initiatives through the Office of the Lt. Governor" (Appendix B).

History of the Governors' Rural Affairs Council

Rural places are often an afterthought in the policymaking realm. Scholars such as Edward Glaeser (2011) talk about the “triumph of the city” with the implication that a bright future is an urban future. It is all the more understandable, then, that in a state like Illinois, where more than half of the population lives in the Chicago metropolitan area, that rural regions would be easily ignored. But the Farm Crisis of the 1980s brought national attention to the plight of rural places. It became clear that the Farm Crisis was not just an agricultural issue. Rather, it was evident that there was an interdependence between farms and the rural non-farm population. A single policy or government agency could not jumpstart the diverse rural economy.

Rural revitalization needed a multi-faceted interagency approach. Policymakers in Illinois, even those with an urban background, tried to help rural places. In 1986, Illinois Governor James R. Thompson launched the Task Force on the Future of Rural Illinois (Governor's Rural Affairs Council 2015). Lt. Governor George H. Ryan chaired the task force, which held 22 public hearings, visiting 97 small communities in 60 of Illinois' 102 counties (Walzer and Merrett 2014). The task force compiled its findings and issued its final report in March 1987.

Before the final Task Force report was even released, Governor Thompson promulgated two executive orders on October 15, 1986 to advance rural development in the state. First, he issued Executive Order #6 creating the Rural Fair Share Initiative (Governor's Rural Affairs Council 2015). This initiative recognized that while 26% of the Illinois population resided in the 76 nonmetropolitan counties in the state, they were not receiving a fair share of state resources to support infrastructure and economic development. In order to rectify this situation, the Fair Share Initiative required state agencies to report each year how much of their resources were allocated to the 76 rural counties.

Governor Thompson then issued Executive Order #7 creating the Governor's Rural Affairs Council (GRAC). The GRAC was intended to implement the Rural Fair Share Initiative, increase the visibility of rural issues before state government, provide input into policies that could shape rural regions, and help coordinate the way services were delivered by the Department of Commerce and Community Affairs (the forerunner of today's Department of Commerce and Economic Opportunity), and the Illinois Department of Agriculture (Governor's Rural Affairs Council 2015). State funds were also provided to pass through the GRAC to fund the IIRA, which was assigned the task of writing an annual Rural Fair Share Initiative report.

The GRAC was chaired by Lt. Governor Ryan with charter members representing 12 state agencies that regularly delivered programs affecting communities in rural Illinois. These agencies included the Department of Agriculture, Department of Commerce and Community Affairs, Department of Conservation, Department of Energy and Natural Resources, Department of Mines and Minerals, Department of Transportation, Illinois Environmental Protection Agency, Illinois Development Finance Authority, Illinois Farm Development Authority, Illinois Housing Development Authority, University of Illinois, and the Illinois Institute for Rural Affairs (Governor's Rural Affairs Council 2015).

The Task Force submitted its final report in March 1987 which contained a series of official recommendations to the Governor and General Assembly. In addition to the already established Rural Fair Share Initiative and the GRAC, the final report recommended the passage of the Rural Diversification Act, and the creation of four research and technical assistance centers including the

Office of Rural Community Development, the Center for Value-Added Agriculture, the Center for Forestry Industry Development, and the IIRA located at Western Illinois University. The General Assembly, with the Governor's approval, implemented all of these recommendations.

For almost two years, funding to support GRAC activities came from the state agencies. However, in July 1988, the General Assembly allocated \$407,000 in general revenue funds (GRF) for the Office of the Lt. Governor to spend specifically on GRAC activities. In April 1990, Lt. Governor George Ryan released a plan for Illinois rural development called "Rural Revitalization: The Comprehensive State Policy for the Future" (Governor's Rural Affairs Council 2015, 2). In 1991, Governor Jim Edgar solidified the role of the GRAC as the state forum for rural development when he issued Executive Order 13 (Appendix A).

The GRAC has continued to function and evolve under different administrations. Funding for the GRAC has been reduced over time, but its commitment to rural communities has never wavered. In fact, its membership has increased over time with other state and federal agencies requesting to become members. In 2011, Governor Pat Quinn rejuvenated the GRAC when he issued Executive Order 11-4. The executive order charged the GRAC "to develop and implement strategies for improving delivery of State of Illinois services to rural Illinois and to expand opportunities and enhance the quality of life for rural residents" (Appendix B). By this time, the GRAC membership had expanded to 18 member agencies and nonprofit organizations, as well as five citizen members.

Under Lt. Governor Sanguinetti's leadership, the GRAC has become even more inclusive, by involving 18 member agencies/organizations, five citizen members, and two ex-officio members representing Northern Illinois University and the United States Department of Agriculture (USDA) (see list on page iii). Following a 102 county fact-finding tour, Lt. Governor Sanguinetti created four working groups: Rural Economic Development Working Group, Rural Workforce Development Working Group, Rural Healthcare Working Group, and the Rural Education Working Group.

In July 2016, the Office of the Lt. Governor entered into a Memorandum of Understanding (MOU) with the IIRA. The MOU expands the GRAC's research relationship with IIRA to include four policy reports focused on economic development, workforce development, rural healthcare, and education. These reports will be issued in October 2016 to coincide with the 30 year anniversary of the creation of the Governor's Rural Affairs Council.

ANNUAL REPORT

Defining Rural Illinois

There is no single way to define “rural” in the United States (Cromartie and Bucholtz 2008). The most common definition is provided by the federal Office of Management and Budget (OMB), which uses population size to categorize counties as being either urban (metropolitan) or rural (nonmetropolitan). In 2003, the OMB defined rural counties as those outside Metropolitan Statistical Areas (counties linked to city or twin cities with populations of 50,000 or more). Using this standard, 76 of the 102 Illinois counties were defined as rural or nonmetropolitan in 1991. By 2003, the number of rural counties dropped to 66 as Illinois has become a more urban state (Fig. 1). This report continues to use the 2003 definition for rural to distinguish between metro and nonmetropolitan counties in Illinois.

Changing Conditions in Rural Illinois

Rural counties in Illinois have lagged behind their metro counterparts in income and population growth for several decades and certainly since the Great Recession of the previous decade. These long-term trends have created policy issues that need to be addressed if rural areas are going to prosper in the future. This section examines four main issues affecting rural places: population decline and aging in rural Illinois, unemployment, wage and income disparities, and workforce development challenges.

Population Decline and Aging in Rural Illinois

Like most Midwestern states, Illinois’ population has been characterized by two important factors. The first is modest population growth that is largely tied to economic performance. The second is a progressive aging of the population based on the dominance of the “baby boom” generation that is moving into their retirement years, coupled with several decades of declining birth rates only partly offset by the arrival of foreign migrants (Table 1). Population growth within Illinois has been concentrated in the metropolitan areas in general and in the Chicago area in particular. Most rural counties have experienced long term population stagnation or decline. Since 2010, many downstate counties have been slower to recover economically from the previous recession. The population projections indicate that these trends could continue (Fig. 2).

The fastest growing population segment in Illinois during the next decade will be residents 70 years and older. Current projections by Woods and Poole (2015) show that downstate, non-metro, residents between 70 to 74 years will increase 44.1% and those 75 to 79 years will increase 50.0 percent, those 80 to 84 years will increase 46.0% (Fig. 2). Declines are projected in cohorts between 50 and 69 years. These changes are a consequence of the Baby Boom generation advancing in age. The changes do not fully adjust for recent trends in population outmigration to surrounding states.

Rural Unemployment

Rural unemployment rates have been lower compared to urban areas (Fig. 3). However, there is greater diversity among rural regions. For example, many rural counties adjacent to urban areas have very low unemployment rates, as do rural counties in central and northern Illinois where many rural residents commute to urban areas for work. In rural southern Illinois, there are many areas of high unemployment due in part to job loss in the Illinois coal industry and the slow recovery of manufacturing in this region.

Figure 1. Nonmetropolitan Counties in Illinois

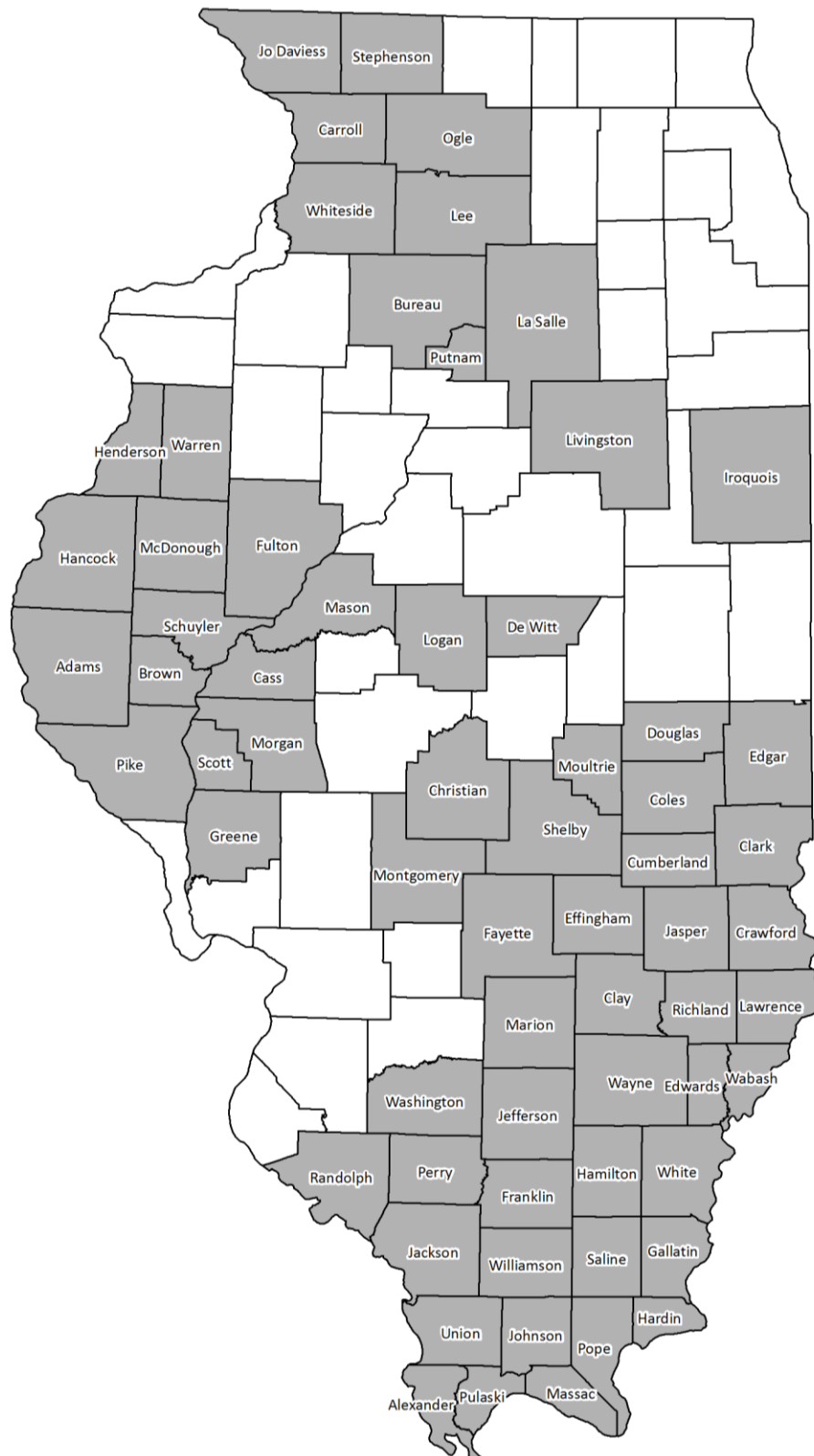
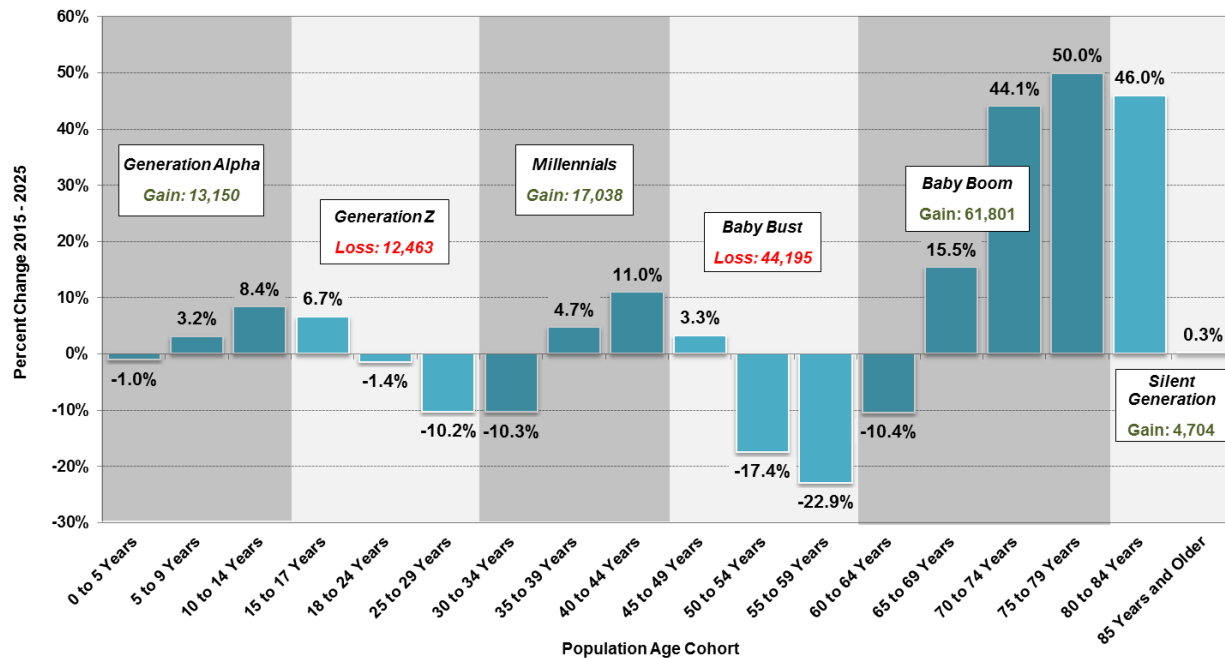


Table 1. Population Trends Metropolitan and Nonmetropolitan Counties

Area Name	Total Population				Percent Change		
	1990	2000	2010	2015	1990-2000	2000-2010	2010-2015
Illinois	11,430,602	12,419,927	12,830,632	12,859,995	8.7%	3.3%	0.2%
Chicago Metropolitan	7,410,858	8,273,268	8,586,609	8,679,563	11.6%	3.8%	1.1%
Downstate Metropolitan	2,485,668	2,587,973	2,715,596	2,692,978	4.1%	4.9%	-0.8%
Nonmetro Micropolitan	896,103	917,651	904,596	879,634	2.4%	-1.4%	-2.8%
Rural Counties	637,973	641,035	623,831	607,820	0.5%	-2.7%	-2.6%

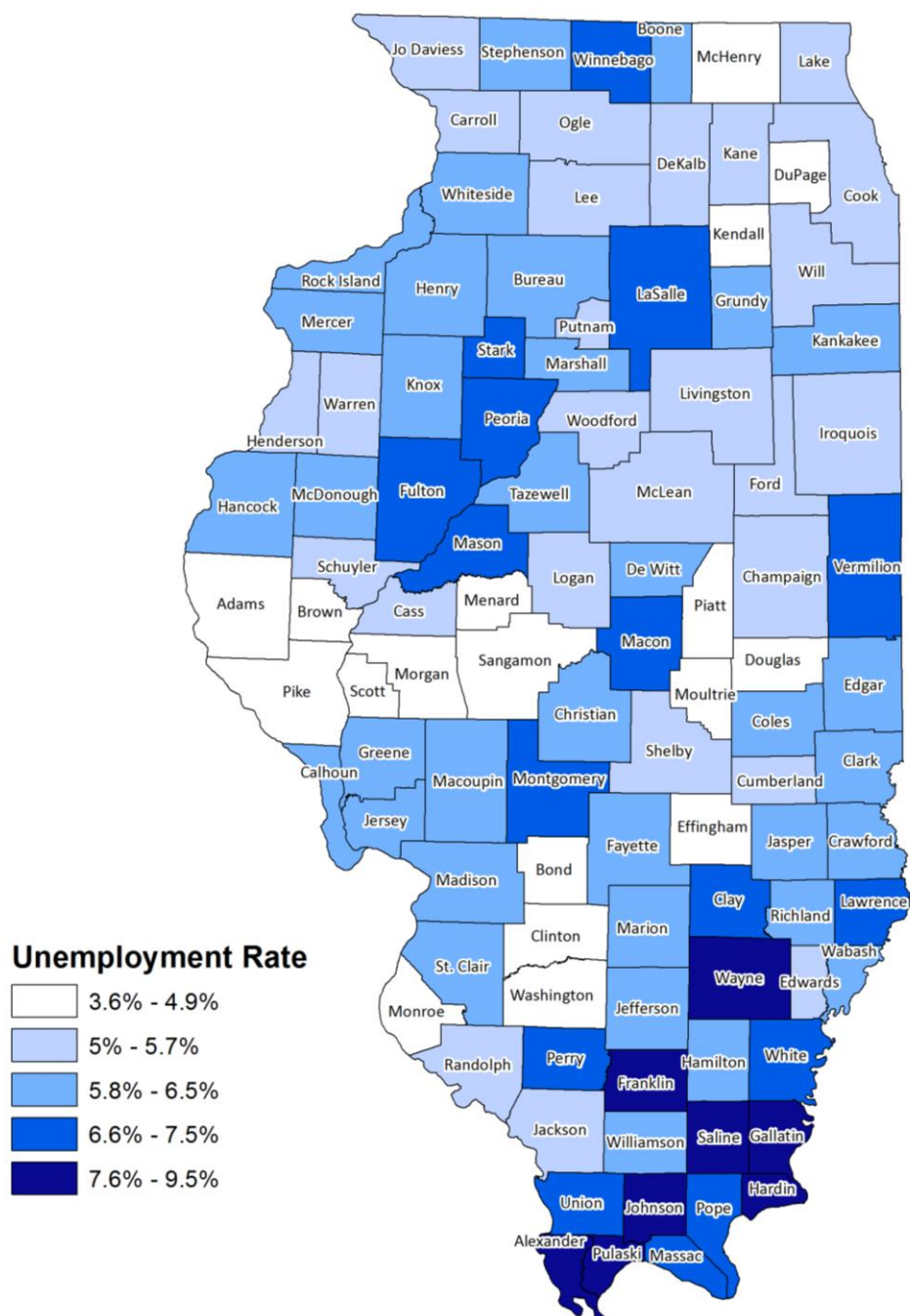
Source: U.S. Census Bureau, 1990-2015.

Figure 2. Projected Population Change by Age Group (2015-2025), Illinois Non-metropolitan Counties



Source: Woods & Poole Economics, Inc., 2015.

Figure 3. Illinois Unemployment Rate, May 2016

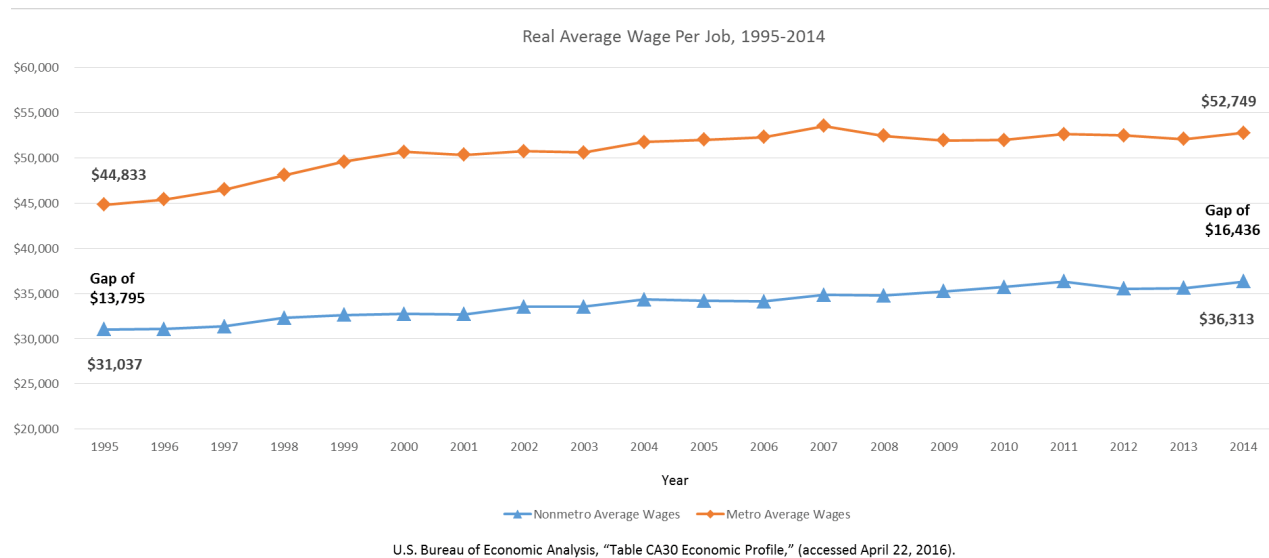


Source: Local Area Unemployment Statistics (LAUS) program, Illinois Department of Employment Security, May 2016.

Wages and Income

Workers in metropolitan counties have seen a \$7,916 increase (17.7%) in average wage since 1995, compared to a \$5,276 increase (16.9%) in non-metropolitan counties (Fig. 4). This wage gap, over time, has contributed significantly to youth out-migration, as young workers move to urban areas in search of higher incomes.

Figure 4. Real Average Wage per Job in Illinois Metro and non-Metro Counties, 1995 to 2014



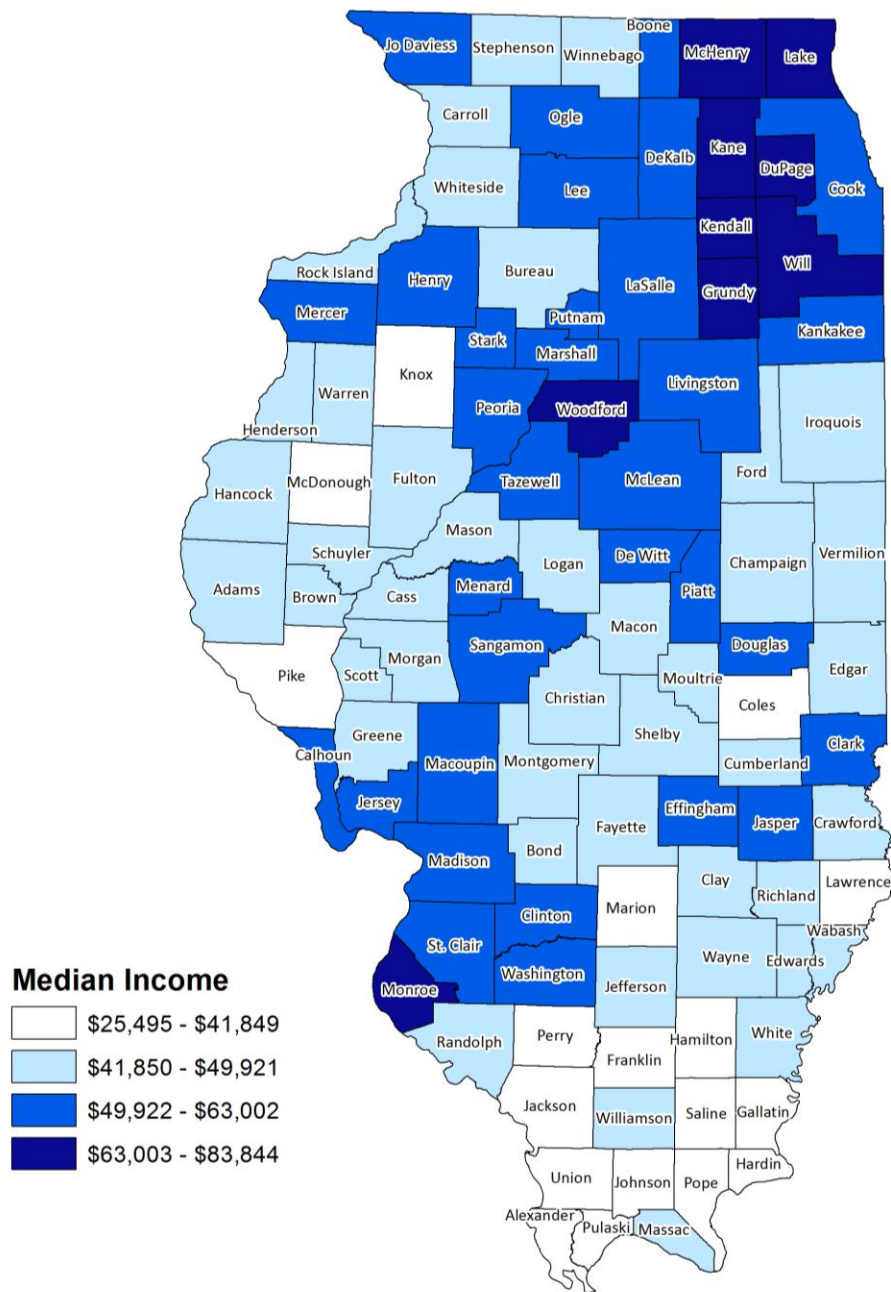
The wage gap is further illustrated by the distribution of median household incomes throughout the state. Figure 5 shows a distinct rural-urban difference in median household income. The largest cluster of low-income counties occurs in the rural region of southern and southeastern Illinois along the Wabash and Ohio Rivers (Fig. 5).

The wage gap is mitigated to some extent by the cost-of-living difference between metro and non-metropolitan areas, in particular lower housing expenditures in non-metropolitan areas. A 2011 study by the Bureau of Labor Statistics showed an average of \$17,226 being spent in urban areas compared to only \$12,115 in rural areas (Hawk 2013). However, rural areas often have higher expenditures in other consumer spending areas such as increased prescription drug and transportation costs.

Dependence on Transfer Payments

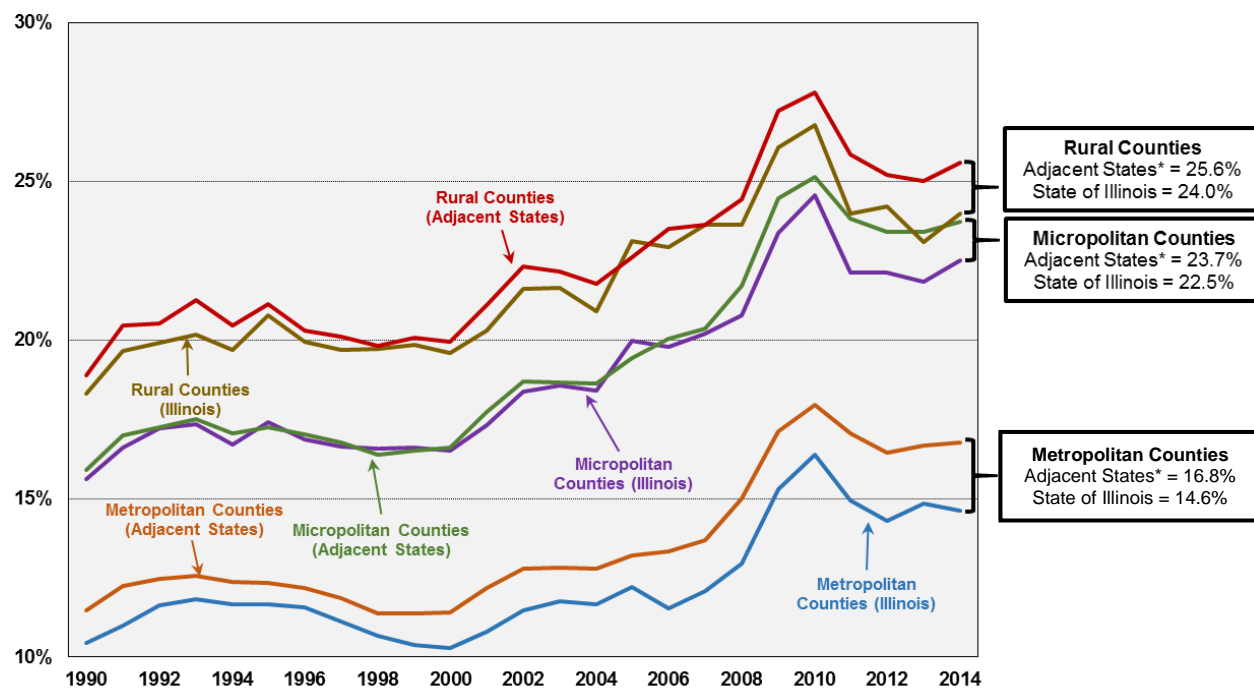
In 2014, nearly a quarter, 24.0 %, of the personal income in Illinois non-metro counties was from transfer payments, as was 25.6 % in surrounding states (Bureau of Economic Analysis 2014). While Illinois may be doing better than contiguous states in its reliance on transfer payments, the high percentage is an issue to monitor. Increases in elderly residents will cause the percentages to rise in the future. This increasing dependence on transfer payments, including Social Security and Medicare, could mean lower overall incomes levels and increasingly high poverty rates in rural communities.

Figure 5. Median Household Income 2014



Source: Median Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars), 2010-2014 American Community Survey 5-year Estimates

Figure 6. Transfer Payments as a Percent of Personal Income



*Adjacent states include Indiana, Iowa, Kentucky, Minnesota, Missouri and Wisconsin.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, 2016.

Source: Bureau of Economic Analysis (2014).

Although transfer payments circulate through the local economy and contribute to the income stream, they can be temporary and will decline with the loss of the baby boomer generation. Unemployment benefits have a set duration and will eventually stop. Likewise, transfer payments typically do not provide a full-time income for residents. Thus, it is important for rural counties to find ways to retain young workers and train them to find better-paying private sector jobs.

Addressing the growing dependence on transfer payments should be a priority because the rural-urban wage gap continues to worsen. And while the cost of living may appear lower in rural regions because housing costs can be quite inexpensive, there are aspects of rural living that are more expensive. For example, long work commutes, higher fuel costs, and more expensive health care due to a lack of accessibility (Fig. 4). The lower returns on housing investment will ultimately lead to deteriorating housing quality which will reduce its attractiveness to residents in the future leading to further population declines.

Illinois has already taken steps to address these issues of transfer payment dependence and low incomes. The Self-Employment Assistance Program, also used by other states, allows individuals receiving unemployment compensation to begin the process of starting a business (Washington Employment Security Department 2016). Another approach to address the dependence on transfer payments is a WorkSharing Program that allows employers to reduce the cost of retaining trained employees by supplementing reduced wages with unemployment benefits (Massachusetts Department of Labor and Workforce Development 2013).

Workforce

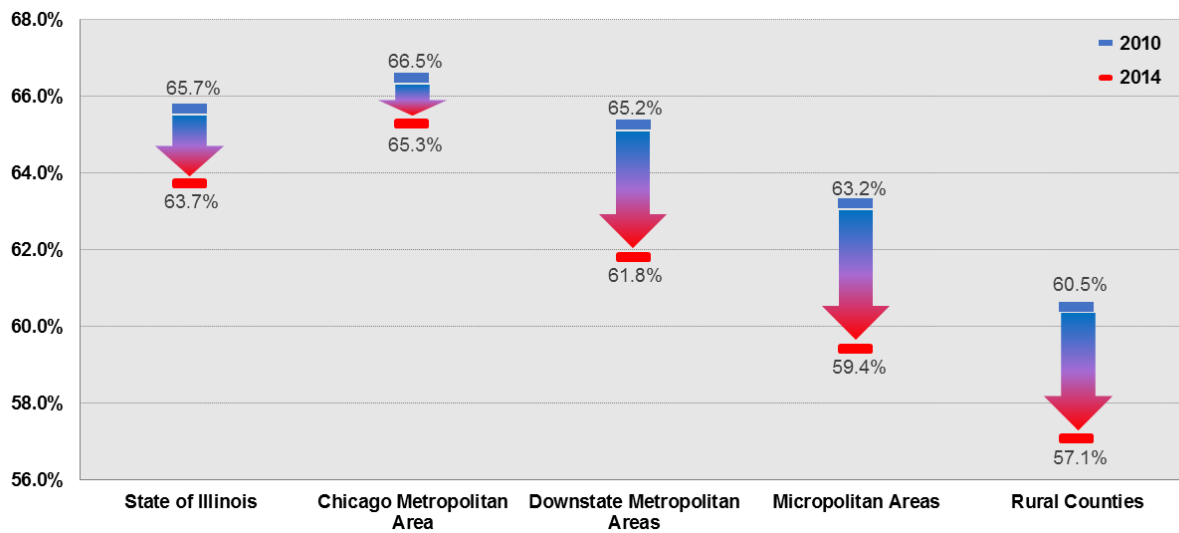
Work force shortages due to retirements and an aging workforce are anticipated in rural Illinois. Surrounding states will experience similar trends. One outcome will be greater competition among states for skilled and experienced workers. Many employers in Illinois, and other states, are already expressing concerns about finding applicants with up-to-date skills and other suitable workforce characteristics. These relative shortages are likely to continue and may be more intense in the future as the wage disparity between metro and non-metro widens causing more outmigration from rural counties.

Immigration is often raised as a source of labor that will offset some of the retirement concerns (Sulzberger 2011). However, past Censuses and the 2010 American Community Survey 5 Year Estimates show that recent immigrants between ages 20 and 59 years represented only 55.0% of the decline in working-age population in non-metro Illinois between 2000 and 2010 (US Census 2010). They amounted to only 19.5% of the declines between 1990 and 1999. Thus, even if immigrants possessed the appropriate skills, the declines in working age populations far exceeded the number of immigrants.

Fortunately, Illinois and most other states have work force initiatives underway as part of the Workforce Innovation and Opportunity Act (WIOA) revisions to meet these pending skill shortages. Rural areas, however, may be somewhat special in their needs and responses so they may need carefully designed educational initiatives. The Governor's Rural Affairs Council (GRAC) has a working group focusing on the special needs of the rural Illinois workforce and is examining best practices in other states.

Labor force participation rates have been a concern recently and the low post-recession unemployment may reflect these issues. Figure 7 compares labor force participation (LFP) rates in metro and nonmetro areas. While the rates declined between 2010 and 2014 for the state and various county classifications, the rates are lowest in rural counties (57.1%) and the downstate declines have been substantially higher than in the Chicago metro area or the state as a whole.

Figure 7. Labor Force Participation Rate, Illinois Metropolitan and Nonmetropolitan Counties



More work is needed to understand why the LFP rates in rural area are lower and what might be done to increase them, especially if businesses are experiencing difficulty attracting workers with appropriate skills. Certainly the growth in elderly populations will adversely affect the LFP rates in the future.

GRAC Working Group Activities

Several trends mentioned above have transformed the rural Midwest and rural Illinois over the past five decades. Under the leadership of Lt. Governor Sanguinetti, the GRAC formed four working groups to address four rural development themes. These working groups include:

1. Economic Development Working Group
2. Workforce Development Working Group
3. Health Working Group
4. Education Working Group

Economic Development Working Group Report

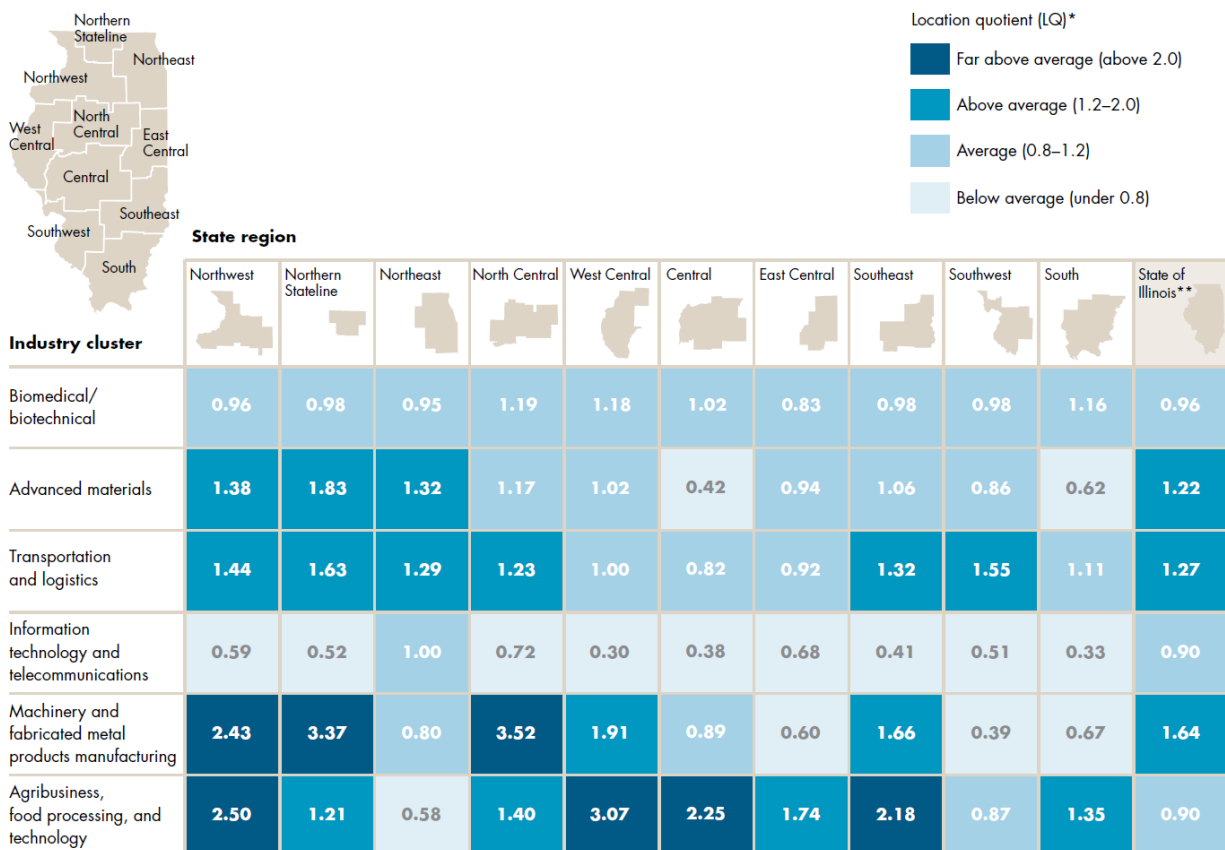
The rural economy has been transformed through free trade, computer technologies, robotics, demographic declines, and varying consumer tastes, among a range of changes. Technological change in agriculture means larger farms and fewer farmers. This has been an important factor driving rural depopulation. While manufacturing has restructured and declined in rural Illinois, at least in terms of total employment, it still plays an important role in rural Illinois. More generally, rural Illinois cannot simply rely on agriculture.

Business activity in rural areas has not kept pace with metro areas during the past several decades, which compounds the problem of retirements and loss of essential businesses, especially in small communities. Between 2009 and 2014, non-metro Illinois lost 1,539 business establishments with fewer than 10 employees compared with a gain of 2,817 in metro areas according to data from *County Business Patterns* reports (US Census 2014). The population projections suggest that retirements and business closings will grow in importance in the next decade or longer. In some instances, these businesses provide essential goods and services including grocery stores, pharmacies, and even restaurants, which are social gathering places and add to the overall quality of life. Some states have started programs to help community leaders organize investment funds to promote these businesses in new and different ways.

Equally important, young adults often leave rural places to attend college or to pursue better employment opportunities. Often they do not return, partly because job opportunities in rural areas do not match their educational levels or pay expectations found in metro areas. Encouraging these rural residents to either start or take over a profitable existing business that is about to close due to retirement of the owner can help retain the young adult as well as keep the rural area economically vibrant.

Additional opportunities exist for retaining and growing the rural work force due to Illinois' geographically diverse economic landscape (Fig. 8). A study completed by the DCEO in 2014 as part of their master planning process identified geographical variations in the Illinois economy by examining industrial clusters and calculating location quotients for key industrial sectors such as manufacturing, agribusiness and food processing, and information technology, among other sectors (DCEO 2014).

Figure 8. Current Specialization of Industry Clusters, by DCEO Region



* Location quotient (LQ) quantifies the concentration of a cluster in a given area as compared with the US average. For example, an LQ of 1.0 denotes a concentration matching the US average, while an LQ of 2.0 denotes a specialization of double the US average.

** The statewide LQ and regional LQs are compared separately to the US average, so the statewide LQ does not reflect the average of the regions.

Note: Given the difficulty in defining the clean energy cluster, the regional LQ data is unreliable and has been excluded from this exhibit.

See sidebar, "The importance of the clean energy cluster to Illinois' economy."

Source: Purdue Center for Regional Development and US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*, 2014.

Source: DCEO (2014).

Key questions prompted by this study include: What are the key regional clusters in rural areas today? What is the future economic growth potential for these regions? Which sectors have the greatest potential? And do we have the workforce needed to support the potential economic growth? These are big questions to be sure and the economic development working group will examine these issues.

The economic development group is comprised of three members from the private sector, and four representatives from state and federal agencies including the Department of Commerce and Economic Opportunity (DCEO), the Illinois Department of Human Services (IDHS), the Illinois Housing Development Authority (IHDA), and the USDA. This working group proposes to explore three strategies to promote rural economic development.

One-Stop-Shop for Economic Development. The first objective is to provide a "one-stop shop" for answers on business development for existing businesses looking to expand or start up new enterprises. This objective could be achieved by achieving two goals. First, a phone or other contact system could be established that enables a business owner who logs an inquiry (e.g. 1-800-BIZNESS) to receive a phone

call from a state economic development professional within 24 hours of the initial contact. This economic development professional would then guide the business person through appropriate channels until the inquirer gets a satisfactory response. A second way to achieve this objective is to maintain the Rural Development Resource Guide available on the IIRA website (www.iira.org). This is a comprehensive economic development database that can be searched by program, state agency, and keyword, so that people looking to start a business can find answers quickly.

Identify Best Practices in Economic Development. The second objective is to better understand data and best practices to drive strategic decision making about investments of public and private resources. The goal here is to increase the positive measurable results for the same money and time applied. Step one might be to seek input from GRAC participants as well as relevant manufacturing and economic development associations on “best practices” for models of economic development activities that have worked in Illinois. Of course, many other states have excellent strategies and Illinois should consider what has worked in other states too.

Provide tiered experiences of training, community planning, and access to resources. The third objective is to help communities create better economic development plans and gain access to training. This could be achieved in several ways. The first is to host regional presentation forums for community projects to agency representatives. This train-the-trainer approach to ensure that government agencies in Illinois involved in economic development are aware of the latest economic development trends and strategies. A second strategy is to ensure that communities interested in promoting economic development are aware of the various programs that can help them systematically create those plans. The University of Illinois Extension and the MAPPING program at the Illinois Institute for Rural Affairs have experience doing this. This is an important strategy because it allows for geographically differentiated economic development strategies to emerge from the grassroots.

Workforce Development Working Group

As technology changes, so do the skills needed by the workforce to use the technology in the manufacturing processes. Complicating our understanding of workforce needs are the different demographic trends affecting rural versus urban regions of Illinois. Rural places are getting disproportionately old and there is youth outmigration. There is a documented skills gap in the Illinois economy, the demographic trends suggests that this skills gap could hit rural places particularly hard. (Wright 2013). Questions that need to be asked include: What are the specific skills gaps? What industries are most affected? If there is an inadequate supply of skilled, young workers, what happens? Will this affect immigration policy if foreign workers are needed? Will businesses leave?

Data from the most recent Illinois Workforce Innovation and Opportunity Act (WIOA) Unified State Plan can provide some insights into Illinois’ growing industries, and where skills gaps may emerge (Illinois Workforce Innovation Board 2016). The unfortunate aspect of this otherwise excellent document is that rural workforce needs are not directly identified. There is attention paid to regional variations, but “rural” as a separate category is not addressed (Table 2).

The table below shows us several things. First, it shows that healthcare employment is large in absolute terms, and it is projected to grow by 2022. Education is also large in absolute terms and is also projected to grow. While, manufacturing is expected to continue its slow downward trend, it is still a large number in absolute terms and these are good paying jobs. Additionally, we know that these jobs are important in rural places. But the question remains, what does this data mean for rural communities?

Table 2: Illinois Employment by Major Industry Sector

<i>North American Industry Classification System (NAICS) Title</i>	<i>Base Year Employment 2012</i>	<i>Share of Statewide Base Year Employment 2012</i>	<i>Projected Year Employment 2022</i>	<i>Net Change 2012-22</i>	<i>Percent Change 2012-22</i>	<i>Location Quotient 2012</i>
TOTAL, ALL INDUSTRIES	6,166,236	100.00%	6,678,572	512,336	8.31%	1.00
<i>Agricultural Production</i>	76,292	1.24%	76,584	292	0.38%	0.85
<i>Natural Resources and Mining</i>	10,137	0.16%	11,695	1,558	15.37%	0.58
<i>Utilities</i>	23,809	0.39%	24,322	513	2.15%	1.01
<i>Construction</i>	188,916	3.06%	215,181	26,265	13.90%	0.79
<i>Manufacturing</i>	582,735	9.45%	581,655	-1,080	-0.19%	1.15
<i>Wholesale Trade</i>	294,361	4.77%	324,652	30,291	10.29%	1.22
<i>Retail Trade</i>	596,393	9.67%	632,132	35,739	5.99%	0.95
<i>Transportation and Warehousing</i>	273,535	4.44%	293,395	19,860	7.26%	1.46
<i>Information</i>	100,018	1.62%	98,113	-1,905	-1.90%	0.88
<i>Financial Activities</i>	365,716	5.93%	392,651	26,935	7.37%	1.11
<i>Professional and Business Services</i>	860,924	13.96%	1,020,527	159,603	18.54%	1.13
<i>Educational Services, Private and Public*</i>	568,857	9.23%	600,804	31,947	5.62%	1.24
<i>Health Care and Social Assistance</i>	733,693	11.90%	841,289	107,596	14.66%	1.02
<i>Leisure and Hospitality</i>	535,716	8.69%	580,005	44,289	8.27%	0.92
<i>Personal & Other Services</i>	280,007	4.54%	300,240	20,233	7.23%	1.07
<i>Government</i>	365,894	5.93%	365,720	-174	-0.05%	0.39
<i>Self Employed, Unpaid Family Workers and Others n.e.c.</i>	309,233	5.01%	319,607	10,374	3.35%	0.83

Source: Illinois Workforce Innovation Board (2016, 6).

In addition to looking at workforce development by industry, we can also look at it by occupational sector (Table 3). Occupational trends identified in table 2 above are reflected in the occupational growth patterns too. Health care occupations are expected to experience enormous growth. Other areas of growth include education, production, and technology jobs. Again, the geographical location of this growth is not readily apparent. We can compare this data to other surveys which show that demand for these jobs is growing, but our ability to fill those jobs is not. For example, a survey of school superintendents found that many school districts struggled to fill teacher openings, with rural school districts struggling the most (Nevel 2016).

The workforce development working group was formed to address these complex issues. The workforce development working group is comprised of two representatives from the Illinois Department of Employment Security (IDES), a workforce investment board member, the IEPA, and one institution of higher education. The workforce development group has focused on three general topics related to technology, manufacturing, and the looming shortfall of skilled workers in rural areas, especially in the healthcare field due to retirements.

Table 3: Illinois Employment, and Employment Growth Projections, by Major Occupational Sector

<i>Standard Occupational Classification (SOC) Title</i>	<i>Base Year Employment 2012</i>	<i>Share of Statewide Base Year Employment 2012</i>	<i>Projection Year Employment 2022</i>	<i>Net Employment Change 2012-2022 Number</i>	<i>Net Employment Change 2012-2022 Percent</i>	<i>Total Annual Job Openings</i>
TOTAL, ALL OCCUPATIONS	6,166,236	100.00%	6,678,572	512,336	8.31%	199,277
<i>Transportation and Material Moving Occupations</i>	460,208	7.46%	513,176	52,968	11.51%	16,441
<i>Sales and Related Occupations</i>	636,874	10.33%	678,851	41,977	6.59%	23,328
<i>Healthcare Practitioners and Technical Occupations</i>	330,411	5.36%	371,129	40,718	12.32%	10,862
<i>Food Preparation and Serving Occupations</i>	451,936	7.33%	491,629	39,693	8.78%	20,618
<i>Business and Financial Operations Occupations</i>	315,143	5.11%	353,460	38,317	12.16%	9,978
<i>Healthcare Support Occupations</i>	172,031	2.79%	207,310	35,279	20.51%	6,850
<i>Office and Administrative Support Occupations</i>	917,264	14.88%	951,675	34,411	3.75%	25,725
<i>Construction and Extraction Occupations</i>	220,061	3.57%	249,079	29,018	13.19%	6,733
<i>Computer and Mathematical Occupations</i>	152,628	2.48%	181,295	28,667	18.78%	5,423
<i>Management Occupations</i>	459,745	7.46%	485,377	25,632	5.58%	12,700
<i>Education, Training and Library Occupations</i>	410,319	6.65%	434,583	24,264	5.91%	10,966
<i>Building and Grounds Cleaning and Maintenance Occupations</i>	229,563	3.72%	253,732	24,169	10.53%	7,145
<i>Personal Care and Service Occupations</i>	187,390	3.04%	209,960	22,570	12.04%	6,395
<i>Production Occupations</i>	445,529	7.23%	466,575	21,046	4.72%	11,987
<i>Installation, Maintenance and Repair Occupations</i>	202,930	3.29%	220,543	17,613	8.68%	6,412
<i>Protective Service Occupations</i>	153,906	2.50%	162,477	8,571	5.57%	4,906
<i>Community and Social Services Occupations</i>	102,398	1.66%	110,938	8,540	8.34%	3,235
<i>Arts/Design/Entertainment, Sports/Media Occupations</i>	98,826	1.60%	105,138	6,312	6.39%	3,021
<i>Legal Occupations</i>	53,470	0.87%	59,545	6,075	11.36%	1,468
<i>Architecture and Engineering Occupations</i>	83,565	1.36%	88,821	5,256	6.29%	2,502
<i>Life, Physical and Social Science Occupations</i>	35,102	0.57%	36,970	1,868	5.32%	1,170
<i>Farming, Fishing and Forestry Occupations</i>	46,937	0.76%	46,309	- 628	-1.34%	1,414

Source: Illinois Workforce Innovation Board (2016, 8).

Because there appears to be a shortage of young workers with sufficient technological skills, one idea to spur more interest is to build on technology, computer, and robotics skills among young workers in rural Illinois. A specific strategy is to build on existing regional high school robotics competitions and create a statewide initiative. The Illinois State Fair could be used to showcase this initiative and the GRAC could help coordinate it. More research needs to be done on this topic, but possible partners include the Illinois State Board of Education, the Illinois Manufacturers Association, and the Illinois Community College Board.

Rural areas continue to have a significant manufacturing base. In order to retain that base and even help it expand, work needs to be done to determine manufacturers' workforce needs. Several strategies have promise here. First, there needs to be a marketing change in how manufacturing jobs are promoted to young people. A person in a skilled trades position can earn a comfortable middle class living. However, many high school students are taught to think that a four-year degree is the only lucrative path to follow. Hence, marketing efforts need to target parents and guidance counselors that show how manufacturing jobs are important and pay well. Another strategy might be to promote manufacturing expos to promote rural businesses, and employment opportunities in those businesses, so that young people can see the array of opportunities available to them.

Illinois will have to confront a shortage of skilled workers in several fields. To address these shortages, the GRAC could collaborate with Workforce Boards and the Illinois Workforce Partnership to bring attention to expected shortages from retirements. Occupations with expected shortfalls include those involving healthcare. Additionally, there is a growing shortage of truck drivers. This is an important issue for manufacturing because truckers often bring manufactured goods to the marketplace. Teachers, especially those teaching math and sciences are in short supply in rural places (Nevel 2016). A remedy might be to provide incentives for teachers to work in rural areas as is common with health personnel. One incentive to help recruit teachers to rural schools might be to reduce university tuition costs for each year worked in rural areas.

A final set of strategies focus on how current agencies operate. One strategy is to reorient the Illinois Department of Employment Security (IDES) to operate more as an "employment" agency rather than an "unemployment" agency. This involves IDES taking a more proactive role in anticipating job retraining and job placement needs. Another strategy might be to build support for the Worker's Opportunity Tax Credit programs. There are 22 rural Illinois counties that qualify for these benefits but are not being used to their full potential. These tax credits are given to employers who hire hard to place individuals.

Health Working Group

Residents of rural communities are older on average than those in urban areas, and this difference will only grow larger if current trends continue. A couple of implications emerge from this trend. First, there will be increasing dependence on Medicare in rural places. As documented above in figure 5, rural areas are already disproportionately more dependent on federal transfer payments such as Medicare, Medicaid, and Social Security than urban areas. This dependence will only grow.

Rural areas also have higher poverty rates and hence have a greater reliance on Medicaid. As rural areas have higher proportions of elderly people, they will increasingly need health care assistance. But with youth outmigration, there may not be enough health care workers to fill this demand. These trends suggest that we need to figure out how to deliver healthcare to rural areas at lower costs. It also suggests that rural health care has a workforce development challenge.

The Illinois Department of Public Health (IDPH) confirms that there is already a shortage of healthcare professionals in Illinois (IDPH 2016). In 2014 the IDPH identified 81 Illinois counties as having primary care health professional shortage areas (HPSAs), 63 counties have dental care HPSAs, and 78 counties have mental health care HPSA designations. Most of these counties are rural.

To address the shortage of primary care providers, Illinois needs an additional 132 FTE for rural counties. An additional 73 FTE are needed to address the shortage of dentists in rural Illinois HPSAs. To meet the mental and behavioral health need of rural residents in HPSAs, Illinois needs an additional 32 FTE psychiatrists.

There is ongoing review of HPSA status in Illinois to maintain a current and accurate reflection of the provider shortages and the changing demographics in our rural counties. The shortage designations allow the rural providers to meet eligibility criteria for state and federal programs including enhanced Medicare reimbursement, recruitment of health professionals with educational loan obligations, and J-1 Visa physicians. These incentives have a direct benefit of bringing more qualified health professionals into rural shortage areas.

In order to address these issues, the Health Working Group (HWG) was formed. It is a diverse committee of six members from various sectors. It includes two members of the public, two university health service administrators, and two representatives from State of Illinois agencies. It has been focused on identifying challenges that are especially pressing in the rural sections of Illinois.

One of the goals is to explore best practices regarding the use of alternative health delivery models. Of particular interest is the status of telemedicine. Southern Illinois University is working on details to open 10-15 primary care clinics that will be covered by nurses, with physicians using telemedicine from a remote site. Advocate Health Care system is focused on offering medical specialists, such as psychiatry, by telemedicine. Dialogue with these and other providers continues. This is one strategy to address the looming shortage of health care professionals.

The HWG Group has identified transportation is another important factor in delivering service to the patient. While the solution is beyond the purview of the HWG, they recognize and encourage the study of non-emergency transportation for patients to get to any medical services in underserved counties. Transportation is an essential part of health care provision. Only so much health care can be done at a distance. Sometimes patients simply need to see a health care professional in person.

Another related challenge is providing reliable ambulance service in rural areas. The group noted that Emergency Medical Service (EMS) is not structured in Illinois as an essential service, like Fire and Police. There are many models of ownership and service delivery. The Group is linking with the Illinois State Division of Emergency Medical Services & Highway Safety to identify steps needed to improve this service in rural areas.

A big factor in health involves obtaining good nutrition. The HWG has helped address hunger in rural Illinois. During the school year most schools provide free meals to children who meet income guidelines. The USDA funded program can continue during the summer sponsored by schools, churches, hospitals, and various sites capable of managing a food service program. There are 37 counties that don't offer summer meals to children. The HWG helped organize a meeting in Livingston County by bringing a leader from McLean County to share how they operate 11 meal service sites.

Education Working Group

The Education Group, not surprisingly, is comprised of several educators. One member is involved in K-12 agriculture curriculum development. Another is focused on increasing the amount of entrepreneurship training in Illinois high schools. Four representatives are involved in Illinois public higher education. The final two representatives come from Illinois state agencies. This working group has focused on several ideas.

With over 1.4 million people in rural Illinois, and according to the Illinois State Board of Education (ISBE) nearly 220,000 students in K-12 as of the 2015-2016 class year, any long term strategy to improve the lives of people in rural Illinois inevitably will be tied to the effectiveness of the local education systems (ISBE 2015a). Rural school districts in Illinois face distinctly different demographic and policy issues than their urban and suburban counterparts. Lawmakers in Springfield need to be aware of those issues to develop appropriate policy solutions to address those concerns.

Through testimony given in GRAC working group sessions on rural education, and other meetings with the Office of the Lt. Governor, a number of top issues emerged as being high priority to address in the near future.

Connection to the Rural Economy. A rigorous and high quality rural education system is essential to the future of rural Illinois. Both the Economic Development and Workforce Development committees have identified a workforce skills gap and lack of qualified applicants to fill existing rural jobs. If these conditions persist it may cause rural business to be at a competitive disadvantage or even cause them to relocate jobs to areas with more opportunities, further threatening the rural way of life in Illinois. To ensure the long-term prosperity for individual students and the community as a whole, rural education needs to be better tied to training students with the skills needed for the jobs available now and those anticipated to be available in the future.

To address all of these problems, a deeper analysis of Illinois rural education system is needed to devise appropriate policy solutions to empower rural school districts to meet the needs of their students and communities going forward in the 21st century.

Create Dialogue between CEO program and Ag Education. As noted above, the CEO program helps foster entrepreneurial thinking among grade 11 and 12 students. A new partnership could be created between the CEO program and Ag Education. Students in Ag Education must complete a capstone project that involves a business-related project or internship. Currently there is a dearth of Ag-related projects in the CEO program. Could both the CEO program and Ag Education be enhanced by fostering a closer relationship between the two programs? The expected outcome would be to help create at least three Ag-related CEO projects in the next two years.

Our first specific step will be to set up a teleconference or face-to-face meeting between representatives of the CEO program and Ag Educators, specifically, the FCAE (*Facilitating Coordination in Agricultural Education*) and GRAC education working group members. This also suggests an opportunity for collaboration with the economic development and workforce development working groups within the GRAC.

Economic Impacts of Ag Student Projects in Rural Communities. Each year, high school seniors involved in Agricultural education are required to complete a capstone experience that involves starting their own business or working in a related Ag business. Previous studies by the *FCAE* (Facilitating Coordination in Agricultural Education) group estimate that these supervised agricultural experience (SAE) projects have generated more than \$10 million in profits and local economic impacts. We would like to explore how this figure could be increased – and to measure the broader economic impact of these projects.

Survey of school superintendents / principals about school needs. In 2013, the IIRA surveyed high school students in rural communities. Students were asked about small town life, quality of education and course offerings, and what it would take to keep students in rural places, or to attract them back to small towns after graduation. A complement to this survey could be a survey of school superintendents in rural counties to determine their perceptions of rural schools. It was suggested that that the working group could collaborate with the Illinois Association of Small and Rural Schools, currently headquartered at SIU-Carbondale. The current president of this organization is from the Macomb school district. This could also represent an opportunity for collaboration with the workforce development working group.

Attracting Qualified Teachers. A recent study confirms that rural school districts are struggling to hire qualified teachers (Lafond 2016). This is in direct contrast to the market conditions in urban Illinois school districts where there is a surplus of teachers to fill available positions.

Rural administrators have raised the possibility of gaining flexibility from the state’s rules in recruiting teachers. Some proposed policy solutions including allowing rural school districts to recruit teachers licensed in other states as well as potential teachers from alternative backgrounds who might have relevant experience in the subjects they would teach.

School Funding. The State’s ongoing problem of funding inequalities has impacts on a range of issues including hiring and retaining qualified teachers, offering a diverse and rigorous curriculum, and the ability of schools to serve as the foundation for workforce development. This funding inequality emerges because in Illinois, there is an overreliance on local property taxes to fund school districts. This means that wealthy, urban districts have higher expenditures per pupil than poorer, rural school districts.

Structural reforms are needed to make the entire school funding formula more equitable. This may take a long time. In the meantime, alternative strategies are needed to improve the performance of rural schools so that the rural workforce, and hence economy, can be more competitive.

High Quality Course Access. Evidence to suggest that funding inequalities hurt students in rural districts can be gleaned in a preliminary way by looking at the geography of advanced placement (AP) high school course participation rates and performance (Illinois State Board of Education 2015b; Illinois State Board of Education 2015c).

Appendix D provides two maps. The first map shows the proportion of 12th grade students in each school districts who took an AP exam. There is a clear urban –rural divide where a much higher proportion of urban students are taking at least one AP exam. The second map shows student performance on AP exams by school district. Again, urban students outperform their rural counterparts, by significant margins.

A major concern of the Education Working Group is the urban - rural divide when it comes to having rich and multifaceted course offerings for students. The *Illinois Virtual Education Review Committee* discovered that important college preparedness and even core courses were not being offered at the same level in Illinois' rural schools.

One could conclude that urban students are getting better education opportunities than rural students. And then one can go further to surmise that the rural workforce is not as skilled as the urban one. Ultimately this means that rural communities are less economically competitive than urban areas. Solutions have to be found to address this inequality.

Taskforce stakeholders have suggested for those districts with financial barriers or facing teacher shortages, i.e. rural districts, virtual education, like those courses offered through the *Illinois Virtual School* and other providers, may prove a viable option.

Summary of Working Group Activities

A careful reading of the four working group summaries reveals that there is close agreement on a rural development agenda. Rural communities are lagging behind urban regions. The lag can be attributed to several themes related to workforce development. As the economic development group notes, there is a skills gap in technology among rural workers that needs to be addressed. The health care group also identified health care delivery costs and workforce development as important. The education working group identified school funding and the inability to address teacher shortages. The lack of teachers and inequitable rural versus urban funding means that rural students are not receiving the same quality of education as urban students. This impacts the ability of rural manufacturers, healthcare providers and so forth to find qualified employees. Hence, educational inequalities are a workforce development issue. And the most recent WIOA, which sets forth the Illinois workforce development plans for the next five years, underemphasizes "Rural" as a category to be addressed.

CONCLUSIONS

This GRAC report has documented a range of rural development issues along with the uncertain future rural communities will have to confront. What is certain is that rural communities, despite having to confront structural issues such as population decline, have assets that can be better deployed to improve the quality of life for their residents. These communities are working with state agencies to make positive changes.

As documented in the appendix, state agencies are working hard to deliver sound programs across the state, including rural places. And there is collaboration among many of the agencies, which is the purpose of the GRAC. GRAC members collaborated to deliver a successful EMS conference. For 27 years now, the IIRA has partnered with the Office of the Lt. Governor and Rural Partners to host the rural economic development conference. The USDA and DCEO provide funding to the University of Illinois Extension and the IIRA to support rural community and economic development technical assistance. And now, under the leadership of Lt. Governor Sanguinetti, the GRAC institutional members are collaborating more purposefully in the four working groups to better address economic development, workforce development, healthcare, and education challenges and opportunities. Together, we are working towards a brighter future for rural Illinois.

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APPENDIX A
GOVERNOR'S EXECUTIVE ORDER 13 (1991)



EXECUTIVE ORDER

NUMBER 13 (1991)

**AN EXECUTIVE ORDER CREATING AN ANNUAL REPORT ON THE STATE OF THE
RURAL ILLINOIS ECONOMY**

WHEREAS, the Institute for Rural Affairs at Western Illinois University is the State's academic clearinghouse for rural development data and initiatives; and

WHEREAS, the Governor's Rural Affairs Council and the Institute for Rural Affairs coordinate rural development initiatives through the Office of the Lieutenant Governor; and

WHEREAS, the Lieutenant Governor as the Chairman of the Governor's Rural Affairs Council is given the authority to organize government and private sector resources to secure assistance for and to enhance the quality of life in rural Illinois; and

WHEREAS, the Institute for Rural Affairs at Western Illinois University has developed a format for an Annual Report on the State of Rural Economy and has agreed to produce this report.

THEREFORE, I, Jim Edgar, hereby order the following:

- A. Executive Order Number 6 and 7 (1986) are hereby amended in accordance with the provisions of this Executive Order.
- B. There is created an Annual Report on the State of the Rural Illinois Economy.
- C. The Annual Report on the State of the Rural Illinois Economy shall replace the Rural Fair Share Initiative created by Executive Order Number 6 (1986).
- D. The Institute for Rural Affairs at Western Illinois University shall organize the Annual Report in cooperation with the Governor's Rural Affairs Council.
- E. The Annual Report on the State of the Rural Illinois Economy shall assess rural economic indicators and make recommendations to the Governor and General Assembly on rural infrastructure needs.
- F. The Governor's Rural Affairs Council and the Institute for Rural Affairs Western Illinois

University shall issue the Annual Report on the State of the Rural Illinois Economy no later than August 1 of each year to the Governor and General Assembly.

G. For the purposes of the Annual Report on the State of the Rural Economy the following United States Bureau of the Census definitions as detailed in *Rural Revitalization: The Comprehensive State Policy For The Future* shall apply:

- a. Rural County — No municipality over 50,000 population. Under this definition Illinois has 76 nonmetropolitan or rural counties.
- b. Rural Area — Under 2,500 population regardless of whether they are in a Metropolitan Statistical Area or not.

This Executive Order Number 13 (1991), shall become effective upon filing with the Secretary of State.

October 11, 1991
Jim Edgar
Governor

APPENDIX B
GOVERNOR'S EXECUTIVE ORDER 11-4 (2011)



EXECUTIVE ORDER

11-04

EXECUTIVE ORDER REGARDING THE GOVERNOR'S RURAL AFFAIRS COUNCIL

WHEREAS, the Governor's Rural Affairs Council was created pursuant to Executive Order Number 7 on October 15, 1986, to maintain the rural emphasis in Illinois government, strengthen the rural economy, increase the capacity and viability of local government and improve education and human service opportunities in Illinois; and

WHEREAS, these issues remain priorities of the State of Illinois in the 21st Century; and

WHEREAS, the needs of rural residents and communities vary greatly from one part of the State of Illinois to another part of the State; and

WHEREAS, the rural challenges and opportunities continue to evolve over time; and

WHEREAS, the Institute for Rural Affairs at Western Illinois University is the academic clearinghouse in the State of Illinois for rural development and initiatives; and

WHEREAS, policies and programs developed to meet the needs of rural Illinoisans are most effective when directed and coordinate by a leader at the highest level of state government; and

WHEREAS, the Governor's Rural Affairs Council and the Institute for Rural Affairs at Western Illinois University coordinate rural development initiatives through the Office of the Lieutenant Governor; and

WHEREAS, the Lieutenant Governor, as Chair of the Governor's Rural Affairs Council, has the authority to organize government and private sector resources to secure assistance and enhance the quality of life for rural Illinois; and

THEREFORE, I, Pat Quinn, Governor of Illinois, pursuant to the powers vested in me by Article V of the Constitution of Illinois, do hereby order as follows;

I. PURPOSE

The purpose of the Governor's Rural Affairs Council is to develop and implement strategies for improving delivery of State of Illinois services to rural Illinois and to expand opportunities and enhance the quality of life for rural residents. The Governor's Rural Affairs Council and the Institute for Rural Affairs at Western Illinois University shall continue to issue an Annual Report in accordance with Executive Order Number 13 of October 11, 1991.

II. MEMBERSHIP

- a. The Lieutenant Governor shall serve as Chair of the Governor's Rural Affairs Council.
- b. Members of the Governor's Rural Affairs Council shall include one representative from each of the following Illinois not-for-profit corporations: Illinois Agricultural Association and Rural Partners.
- c. Members of the Governor's Rural Affairs Council shall also include one representative from each of the following governmental agencies or institutions in the State of Illinois: Illinois Department on Aging, Illinois Department of Agriculture, Illinois Department of Commerce of Economic Opportunity, Illinois Department of Employment Security, Illinois Department of Human Service, Illinois Department of Natural Resources, Illinois Department of Public Health, Illinois Department of Transportation, Illinois Environmental Protection Agency, Illinois Community College Board, Illinois State Board of Education, University of Illinois-Cooperative Extension Service, Illinois Housing Development Authority, Southern Illinois University, Illinois for Rural Affairs at Western Illinois University, and Illinois Finance Authority.
- d. The Governor shall appoint up to six citizen members to serve on the Governor's Rural Affairs Council as required to increase the Governor's Rural Affairs Council as required to increase the Governor's Rural Affairs Council memberships to a total of no more than 25 members.

III. GOVERNANCE

- a. The Council shall meet as often as the Chair deems necessary.
- b. The governmental agencies or institutions in the State of Illinois with representatives eligible to serve on the Governor's Rural Affairs Council shall provide information upon request to the Chair of the Governor's Rural Affairs Council concerning agency programs, data, and activities that impact rural Illinois.
- c. The Chair of the Governor's Rural Affairs Council may appoint persons, including but not limited to, representatives from government, private industry, and not-for-profit organizations, to serve on committees of the Governor's Rural Affairs Council and to provide input to the Governor's Rural Affairs Council as a whole.

IV. TRANSPARENCY

In addition to whatever policies or procedures the Governor's Rural Affairs Council may adopt, all operations of the Governor's Rural Affairs Council will be subject to the provision of the Illinois Freedom of Information Act (5 ILCS 430/1 et seq.) and the Illinois

Open Meetings Act (5 ILCS 12011 et seq.). This Section shall not be construed so as to preclude other statutes from applying to the Governor's Rural Affairs Council and its activities.

V. PRIOR EXECUTIVE ORDERS

Executive Order Number 6 of October 15, 1986, Executive Order Number 7 of October 15, 1986, Executive Order Number 13 of October 11, 1991, and Executive Order Number 1 of January 11, 2000, are each hereby amended in accordance with the provisions of this Executive Order Number 11-04.

VI. EFFECTIVE DATE

This Executive Order Number 11-04 shall become effective upon filing with the Secretary of State.

Pat Quinn
Governor

Issued by the Governor: May 18, 2011
Filed with the Secretary of State: May 18, 2011

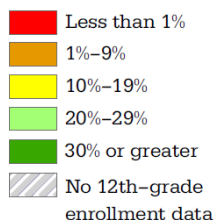
Appendix C

Regional Distribution of Advanced Placement Scores and Participation Rates in Illinois

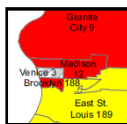
Illinois Public Schools

AP[®] Participation by District: Class of 2015

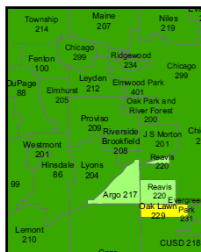
Percentage of 12th-graders who took an AP Exam in high school:



Inset A



Inset B



Sources:

2013–14 NCES 12th-grade district enrollment, 2015
College Board AP Cohort Data, and 2013–14 Proximity
School District Boundary Files.

Notes:

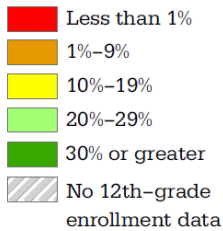
The most recent enrollment data available were for the 2013–14 school year. A degree of caution should be exercised when reviewing participation estimates, as data may not reflect district enrollments for the 2014–15 school year. AP cohort data represent public school students from a given graduating class who took an AP Exam during high school.

Source: Illinois State Board of Education (2015b).

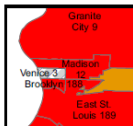
Illinois Public Schools

AP[®] Success by District: Class of 2015

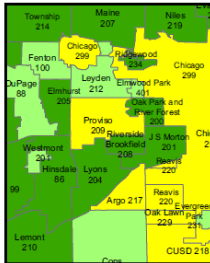
Percentage of 12th-graders who scored 3 or higher on an AP Exam during high school:



Inset A



Inset B



Sources:

2013–14 NCES 12th-grade district enrollment, 2015 College Board AP Cohort Data, and 2013–14 Proximity School District Boundary Files.

Notes:

The most recent enrollment data available were for the 2013–14 school year. A degree of caution should be exercised when reviewing performance estimates, as data may not reflect district enrollments for the 2014–15 school year. AP cohort data represent public school students from a given graduating class who scored 3 or higher on an AP Exam during high school.

Source: Illinois State Board of Education (2015c).

Appendix D

GRAC Member Activities

Introduction

The Governor's Rural Affairs Council (GRAC) is made up of 19 institutional and 5 citizen members. The full roster of the GRAC is provided on page ii of this report. The 19 institutional members either have broad regional or statewide missions, whether they are state or federal agencies, nonprofit organizations, or institutions of higher education. That means that they all deliver services and complete projects in rural Illinois. This part of the report unfolds in two main sections. The first part documents recent efforts by many of the GRAC institutional members to deliver services in rural Illinois. The second section summarizes the efforts of the newly created GRAC working groups, which include GRAC citizen members.

Illinois Department of Agriculture

Many communities in rural Illinois depend on agriculture as a source of income and economic growth. The Department of Agriculture promotes, regulates and protects the state's agricultural industry while providing a wide range of consumer services. The Department ensures that quality agricultural products and services are labeled accurately and sold fairly. The Department sponsors numerous promotional events; generates marketing information for agribusinesses; checks scales, gasoline pumps and greenhouses; regulates the use of pesticides; manages livestock waste; implements soil and water conservation programs; and regulates the grain, feed, seed and fertilizer industries.

The Department plays a key role in the protection of our food supply. Through the Division of Food Safety and Animal Protection, the Department licenses and inspects all establishments in which animals or poultry are slaughtered or processed for intrastate sale. Through the Bureau of Ag Product Inspections, the Department tests samples of wheat and corn from harvests to ensure our state's crops are free of mycotoxins, a mold that can potentially be harmful to animals and humans.

The Department of Agriculture is also tasked with promoting agriculture through our state and county fairs. In Illinois, county fairs are a historical tradition dating back to the 1840s. These fairs are an important source of revenue for our rural economies. In addition, the youth exhibitors at our state and county fairs are our state's next farmers, ranchers, producers, agribusiness CEOs, and small business owners. The lessons learned, and connections made, at our state and county fairs help to build character and a strong work ethic that will power our workforce for generations to come.

Illinois farmers, ranchers, and producers have a great responsibility to feed and clothe the world. In order to do this, we must be good stewards of the land. The Department of Agriculture works to limit the irreversible conversion of rich Illinois farmland, and provide technical assistance to local governments in developing programs for farmland protection. One of the activities of the Department includes reviewing coal-mining permit applications for reclamation techniques to ensure that mined agricultural land is returned to its original productivity. The Department also operates a statewide agricultural pesticide container recycling program and conducts unwanted pesticide collection and disposal activities to protect water quality through the Bureau of Environmental Programs.

Illinois Department of Commerce and Economic Opportunity

The Illinois Department of Commerce and Economic Opportunity (DCEO) provides many programs to support economic and workforce development and improve the quality of life in rural Illinois. Assistance comes from several offices.

The Office of Community Development administers federal Community Development Block Grant (CDBG) funds for communities outside of entitlement areas that receive their own allocation from the U.S. Department of Housing and Urban Development (HUD). Grants are available for public infrastructure, housing rehabilitation, and economic development. In 2015, 37 communities received more than \$14 million to create or update aging infrastructure, particularly in low-to-moderate income (LMI) areas. More than \$6 million was provided to bring LMI homes up to code and economic development grants will create more than 90 new jobs in non-metro areas. Disaster Recovery grants are also administered in the Office of Community Development.

The Office of Community Development also provides funding for a strategic visioning program housed in the Illinois Institute for Rural Affairs (IIRA) located at Western Illinois University. This program, called MAPPING (Management and Planning Programs for Nonmetropolitan Groups) helps communities create community visions or plans designed to “map” out future economic development objectives. The MAPPING program has worked in over 150 communities across Illinois.

The Office of Energy Assistance administers grants for the Low Income Home Energy Assistance Program (LIHEAP) and the Illinois Home Weatherization Assistance Program (IHWAP). Both of these programs have a prominent presence in rural Illinois. The sub grantees who administer the programs provide services with a focus on client outreach and education. Energy-saving tips are given to clients, as well as physical cost-saving measures that are performed on qualifying homes. LIHEAP clients are also instructed in the area of financial literacy, which includes regular bill-paying and how to budget household income. The health and safety of individual homes, and the persons within the homes, are improved by the HVAC and architectural work performed by trained Weatherization crews and contractors. Many of the sub grantees are also one of the largest employers in their service area.

Illinois Energy Now programs provide millions of dollars each year to help public entities reduce their energy costs, by improving the efficiency of their facilities. The program also provides free services including: building energy assessments and tune-ups, technical and application assistance, and training and education. Illinois Energy Now funding and services are available for all public facilities located within Ameren Illinois and ComEd electrical service areas, or Ameren Illinois, Nicor, North Shore or Peoples natural gas areas. Examples include local governments or taxing districts, public schools, community colleges and public universities. Illinois Energy Now also offers a suite of programs for low income homes and multi-family buildings.

The Energy and Recycling Office’s Renewable Energy Programs provide rebates and grants for solar and wind energy projects purchased and installed by homeowners, businesses, government agencies, and non-profit organizations. Incentives have typically covered up to 25% of the total installation costs, which can significantly reduce the payback period for solar and wind energy systems. These programs are available to rural homeowners and businesses that are customers of one of the major public electric or natural gas utilities, and also available to most electric cooperative customers in the state.

Twenty-seven Small Business and Development Centers (SBDCs) are located across the state, many in small rural towns that help citizens with any issues pertaining to small business. These centers are administered by DCEO's Office of Entrepreneurship, Innovation & Technology. The office is a partner with the Broadband Council, whose goal is to increase broadband availability, usage and adoption throughout every area of the state. EIT is collaborating in various agricultural and farming initiatives including Farm Illinois and the University of Illinois' College of Agriculture (ACES) to bring modernization and new technologies to rural farming areas.

The Workforce Innovation and Opportunity Act is a federally funded program designed to provide individuals who have been laid off or whose household income is at or below the federal poverty level with employment and training services. It's designed to benefit job seekers, laid-off workers, older youth, incumbent workers, new entrants to the workforce, veterans, persons with disabilities and employers. Illinois WorkNet Centers serve as the point of entry for delivery of services. There are success stories across the state, both individual and programmatic. One exceptional initiative was the No Job Left Behind initiative in Moultrie County, which was honored with the Innovative Solutions statewide award. The Initiative pulls together businesses, community colleges, schools and community members to build the skilled workforce throughout the Central Illinois area. Among its efforts, a Manufacturing Week was set up for students to tour area plants, and other businesses have been involved. Classes are taught like students are at a job, clocking in and out to account for their time, and soft skills such as showing up on time, dressing appropriately and being drug free, are learned. Thirteen high schools and 260 students participated.

Illinois Department of Employment Security

The Illinois Department of Employment Security (IDES) encourages economic growth and stability in Illinois by providing employment services to Illinois residents and employers. In addition to administering the Unemployment Insurance programs, a major component of the services offered include the collection and dissemination of Illinois' essential Labor Market Information (LMI). The LMI captures wage records submitted by Illinois employers. LMI data include the industry occupation, short and long term projections, occupational wages, and employee demographic characteristics in their respective regions. The LMI prepared by IDES allows research institutions, regional planning commissions, business leaders, as well as community and economic development leaders to fully understand the nature of their workforce. This type of data monitoring and forecasting provides a better understanding of the employment characteristics and growth trends at the regional level assisting leaders in the development of public policy. LMI also provides Illinoisans an opportunity to make informed educational and professional development decisions. The IDES services also help to protect against waste, fraud and abuse by ensuring the integrity of the wage reports and unemployment claims.

In an effort to connect employers with qualified employees, IDES currently provides services in 36 One-Stop and affiliate offices strategically placed throughout the state. Staff can assist job seekers with work readiness, job search assistance and referrals to partner and community services. Job Readiness Workshops are conducted regularly along with one-on-one job search assistance. Computers are made available at the local offices for job seeker use. Many of these locations provide space for employers to hold hiring events and interviews.

The Agency also provides many online services that allow job seekers access to many of the same services and information that are available in the local offices. The online services include but are not limited to: the State sponsored Labor Exchange System (IllinoisJobLink.com); multi-lingual YouTube

tutorials; Virtual Labor Market Information; Illinois Career Information System and IllinoisWorknet.com. To further assist employers and job seekers, IDES provides two call centers with staff available to answer questions about employment services and Unemployment Insurance benefits.

IDES is shifting its focus from *unemployment to employment* and will serve as the preeminent employment agency to ensure quality service to job seekers, claimants as well as employers. In an effort to make the services more widely available, the Agency is developing a series of job readiness workshop videos which job seekers will be able to access from the growing suite of online services. Job seekers that register with the state sponsored labor exchange, IllinoisJobLink.com, will have the opportunity to complete an employment assessment in an attempt to identify areas in which employment assistance is needed. The assessment will recommend appropriate online workshops to job seekers or direct the job seeker to attend a reemployment workshop in person at a facility of his/her choosing. The assessment tool will allow IDES staff to be alerted of job seekers that may need more intensive services.

As of July 17, 2016 all job seekers who file for Unemployment Insurance benefits will be required to fully register with the Agency's Employment Services system, IllinoisJobLink.com. A completed registration will allow employers access to thousands of candidates' resumes and provide claimants with extensive employment services such as free recruiters, hiring events, job fairs and more. IDES has increased the number of Employment Services staff, which allows for even more outreach opportunities and additional one-on-one services many job seekers require. Service delivery software platforms and websites are in the process of being updated to better serve the needs of our job seekers and employers.

Illinois Department of Employment Security is an active member of the Governor's Rural Affairs Council and participates in the Work Opportunity Tax Credit (WOTC) program. Under WOTC eligible job seekers can be *pre-certified* if they reside in one of the 22 counties classified as a Rural Renewal County. Job seekers can also be *pre-certified* if they are a TANF Recipient, Veteran, Ex-Felon, Vocational Rehabilitation Referral, Summer Youth, Food Stamp Recipient, or SSI Recipient. WOTC program has been retroactively reauthorized for five years, January 1, 2015 to December 31, 2019. IDES has trained staff offering a full range of employment services to migrant seasonal farm workers. These services include referral to jobs; staff-assisted services; referral to supportive services, career guidance, and job development. Employment Services staff refer dislocated workers to Title 1B partners, to determine the job seekers level of interest in and qualifications for additional education and training in growth industries or high demand positions. IDES also includes representatives who participate in the U.S. Department of Agriculture's Rural Development program, *Homegrown by Heroes*, which helps to promote agriculture products grown by military veterans.

Illinois Department of Human Services

Human services play a vital role in ensuring that rural families have the resources to support their development and that of their community. The availability of safe, affordable housing, income supports, food assistance, job training, and other critical services help poor and vulnerable rural residents take care of themselves so they can stay healthy. When faced with challenges, people who have their basic needs met are better able to direct their resources to recovery and take steps to avoid future challenges. These issues are important anywhere, but can be particularly important in rural areas where the social safety net is not as robust as in urban centers.

The Illinois Department of Human Services (IDHS) helps struggling families and individuals by providing services in a way that can ultimately control costs and reduce distress by providing services in a timely fashion. Ensuring that families who use the system frequently, such as those with chronic conditions, have their other needs met may lessen the stressors that contribute to their chronic conditions. It may also reduce the amount of resources they require, and reduce unnecessary challenges for IDHS clients and providers alike.

Rural IDHS providers and facilities can help families find human services to meet their basic needs by coordinating services with human services providers. Likewise, rural human services providers may find working with healthcare providers is an effective way to identify unaddressed human service needs. Connecting human services to families at an early stage can help make limited resources go further and leverage the close-knit nature of rural communities.

The IDHS has a broad portfolio services that are provided on an ongoing basis with the support of community partners. The IDHS aids low-income families by helping them secure income supports through programs such as Temporary Assistance to Needy Families (TANF) and Earned Income Tax Credits (EITC). These supports can help families living below the poverty line pay their bills and otherwise make ends meet. This is an important issue because in many parts of Illinois, rural poverty rates can be higher than in urban centers (Moser 2015). The IDHS also provides weatherization and energy assistance to families and home owners who struggle to pay for their utilities. Many low income families live in older homes, without adequate insulation. Weatherization can make these homes more energy efficient, thus lowering costs to heat and cool. Again this is an important rural issue because the rural housing stock is older than in urban communities (Brown et. al. 2009, White 2015).

And speaking of housing, the IDHS provides a range of housing programs. It provides support for homeless shelters. It also provides accessibility assistance for individuals with disabilities and senior citizens so that they can live at home if that is their preference. It also provides services for those with developmental and physical disabilities so that they can also live successfully at home. The IDHS also works with other state agencies and nonprofit partners to provide job training so that customers can become financially self-sufficient. Part of helping families become self-sufficient is providing child welfare programs and support for child care. This has been an ongoing struggle in rural Illinois (Editorial Board 2014).

Illinois Department of Natural Resources

Economic Development

The Illinois Department of Natural Resources has sites all across the state, mainly in rural areas. These sites greatly contribute to economic development by bringing in local, statewide, national, and international tourists. Different locations offer different experiences, like the cultural experience of going back in time at the Fort Massac encampment, which brings over 200,000 visitors a year to Metropolis. Visitors can also see the largest collection of prehistoric rock art at Piney Creek Ravine State Natural Area or experience the extraordinary natural features at Starved Rock State Park in Utica and Giant City State Park in Makanda. From across the United States, hunters, campers, hikers, bikers, bird-watchers and many others interested in outdoor recreation find Illinois to be a top destination. These visitors buy sporting goods, fill hotel beds, stock up on food and supplies, purchase gas, and patronize local businesses in rural communities surrounding IDNR sites.

One of IDNR's main functions is to regulate hunting, which occurs exclusively in rural areas. Hunting is a major force for economic impact in rural Illinois. With around 200,000 resident hunters and almost 40,000 non-resident hunters, it is estimated that retail sales for hunting in Illinois are over \$1.2 billion.

Education

IDNR's Outdoor Recreation and Retention division serves to teach youth about shooting sports and responsible hunting. In 2016, the National Archery in Schools Program (NASP) state shoot in Illinois had over 1,000 kids registered, the largest number ever for the program. The Scholastic Clay Target Program (SCTP) had 604 kids registered for the 2015 state shoot. IDNR's Safety Education division certified almost 15,000 people to be eligible to hunt, boat, trap, or snowmobile in Illinois.

The IDNR Division of Education provides workshops through the ENTICE (Environment and Nature Training Institute for Conservation Education) program to reach educators at locations throughout the state. Many of the workshops are held in rural areas of Illinois. The locations are determined mainly by the workshop topic, but we do work to offer the same type of workshop throughout the state, where possible. For example, we worked in partnership with the US Forest Service to offer an "Illinois Butterflies" workshop in southern Illinois. This workshop topic has also been offered in partnership with nature centers in central and northern Illinois so that most educators in the state have access to the information, resources and Professional Development Hours available. We also offer several ENTICE workshops in online format, and those have been popular with educators in rural Illinois.

All of our publications, lessons, resource information and other teaching tools are available online. We attend teachers' conferences throughout the state to make teachers aware of our resources and programs. We offer loan programs for resources trunks (containers filled with educational resources on specific topics) in all areas of the state. Our grant programs for developing schoolyard wildlife habitat areas and to allow the teachers to take their students on natural resources-related field trips are popular with teachers in rural areas of the state and provide them with opportunities that they might not otherwise have to expand the scope of their educational programs.

Illinois Department of Public Health

Overview

The mission of the Illinois Department of Public Health (IDPH) is to protect the health and wellness of the people of Illinois through the prevention, health promotion, regulation, and the control of disease and injury. This mission is accomplished by: providing leadership for public health at both the State and federal level; identifying, analyzing and tracking health trends; defining problems and guiding public health action; delivering public health related services; and promoting health equity.

IDPH undertakes the following activities to fulfill its mission:

- Protecting the public from infectious diseases, including vaccine-preventable diseases, other communicable diseases, and the prevention and treatment of HIV and sexually transmitted infections.
- Evaluating data and trends to provide policy to guide Illinois on health issues.
- Ensuring environmental safety by inspecting public swimming pools, reducing the risk of vector borne diseases by monitoring insect and bird populations, and inspecting homes and other buildings to prevent lead poisoning.

-
- Providing leadership for food safety and sanitation, responding to complaints, and participating in food recalls.
 - Working as Illinois' lead agency for emergency preparedness to ensure an immediate and coordinated response to a public health emergency.

Center for Rural Health

IDPH's Center for Rural Health (Center) was created in 1989 to assist the agency in achieving its mission in rural and underserved areas. Overall, the Center provides consultation and technical assistance to consumers and providers to help identify health care issues, discuss potential solutions, convene stakeholders, and implement plans of action.

The Center also collects and disseminates health professional data for Illinois. This data is used to designate Health Professional Shortage Areas (HPSAs), which help identify shortages of primary care, mental health, and dental providers. These designations are used by IDPH for the following programs for rural and underserved areas: State Loan Repayment (SLRP), Medical Student Scholarship (MSSP), Nursing Education Scholarship (NESP), Allied Health Scholarship, Podiatric Scholarship, J-1 Visa Waiver, and Rural Hospital Flexibility.

- SLRP provides funds to repay educational loans of physicians, nurse practitioners, physician assistants, nurse midwives, dentists, and psychiatrists. To receive assistance, providers agree to work at a medical facility in a HPSA in Illinois.
- MSSP provides scholarship assistance to individuals attending medical school in Illinois to become primary care physicians. For each year of assistance, recipients work a corresponding number of years at a medical facility in a HPSA in Illinois. Due to a lack of funding, the program is currently unavailable.
- NESP provides assistance to individuals pursuing a nursing degree or certificate. For each year of assistance, recipients work a corresponding number of years at a medical facility in Illinois providing direct patient care.
- Allied health scholarships provide assistance for individuals to become nurse practitioners, nurse anesthetists, physician assistants, and nurse midwives. For each year of assistance, the recipient works a corresponding number of years at a medical facility in a HPSA in Illinois. Due to a lack of funding, the program is currently unavailable.
- Podiatric scholarships provide assistance for recipients to attend podiatric medical school. For each year of assistance, a recipient works a corresponding number of years as a podiatrist at a medical facility in a HPSA in Illinois.
- J-1 Visa Waivers allow foreign medical graduates to practice for three years after completing training if they practice at a medical facility located in a HPSA in Illinois.
- Rural Hospital Flexibility Program provides funds to critical access hospitals in Illinois to improve employee retention, expand care for chronic disease management, and perform community assessments to measure health needs in the hospitals' respective communities.

Illinois Department on Aging – Illinois Aging Network Services

The average age in the United States is increasing (Badger 2014). Notably, the greying of America is happening at a faster rate in rural places, which have a higher proportion of people aged 65 and over than their urban counterparts (Baernholdt et. al. 2012). As baby boomers age, they will need more healthcare, transportation, and other services to maintain their quality of life. These services will

become disproportionately important in rural places. In Illinois, the Department on Aging works with a system of Area Agencies on Aging to provide these services in rural and urban counties.

The Illinois Department on Aging

The Illinois Department on Aging was created by the State Legislature in 1973 for the purpose of improving the quality of life for Illinois' senior citizens by coordinating programs and services enabling older adults to preserve their independence as long as possible. It is the single State agency in Illinois authorized to receive and dispense Federal Older Americans Act funds, as well as specific State funds, through Area Agencies on Aging and community-based service providers.

The legislative mandate of the Illinois Department on Aging is to provide a comprehensive and coordinated service system for the State's approximately two million older adults, giving high priority to those in greatest need; to conduct studies and research into the needs and problems of the elderly; and to ensure participation by older adults in the planning and operation of all phases of the system. In fulfilling its mission, the Department responds to the dynamic needs of society's aging population through a variety of activities including:

- Planning, implementing and monitoring integrated service systems;
- Coordinating and assisting the efforts of local community agencies;
- Advocating for the needs of the State's elderly population; and
- Cooperating with Federal, State, local and other agencies to develop programs and initiatives.

Area Agencies on Aging

The state of Illinois is divided into 13 Planning and Service Areas (PSAs). The Department on Aging designates one Area Agency on Aging (AAA) for each PSA. In Illinois, 12 not-for-profit agencies and one unit of local government serve as Area Agencies on Aging. Each AAA is responsible for planning, coordinating, and advocating for the development of a comprehensive and coordinated system of services for the elderly and caregivers within the boundaries of the individual PSAs. The Department's major programs and services provided annually include the following:

- **Community Care Program (CCP).** The CCP helps senior citizens to remain in their own homes by providing in-home and community-based services. Enrollment in CCP has significantly grown over the past 10 years due to the aging of the population in Illinois. It is estimated that more than 80,000 older adults will receive services through CCP. Services offered through CCP include case management, adult day service, emergency home response, and homemaker services.
- **Adult Protective Services (APS) Program.** The APS Program responds to reports of alleged abuse, neglect, and exploitation of older adults and adults with disabilities who live at home and work to resolve the abusive situations. The APS Program received 16,140 reports of abuse, neglect and exploitation in 2015.
- **Long Term Care Ombudsman Program (LTCOP).** The LTCOP provides a forum for senior citizens to advocate for their rights. Senior citizens or their advocates can contact the LTCOP if there are problems with services provided.
- **Senior Health Insurance Program (SHIP).** SHIP is a free statewide health insurance counseling service for Medicare beneficiaries and their caregivers. SHIP currently has 186 offices throughout the state staffed by a total of over 600 volunteer counselors. SHIP activities align with the Illinois Department on Aging's mission to help older individuals maintain their health and independence while remaining in their homes and communities.

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- **Older Americans Act Service Programs.** The AAAs and their service providers across Illinois provide an array of services to meet the individual needs of older persons which include, but are not limited to access services such as transportation, in-home services such as home delivered meals and housekeeping, community-based services such as congregate meals, family caregiver services such as respite support and counseling, and the Senior Community Service Employment Program, which provides job training and support for senior citizens seeking employment.

Illinois Environmental Protection Agency

The Illinois Environmental Protection Agency (IEPA) has a broad mission, “to safeguard environmental quality, consistent with the social and economic needs of the State, so as to protect health, welfare, property and the quality of life.” It monitors the quality of air, water and land resources and hence has a regulatory function to ensure the environment is safe. It also provides assistance to communities confronted with environmental hazards such as toxic waste sites.

Illinois has many toxic waste sites because its economy historically relied on manufacturing. While factories provided hundreds of thousands of good-paying jobs for Illinois in the 20th century, many of the factories underpinning Illinois’ economic base closed down starting in the 1980s through the early 21st century. The legacy of deindustrialization is abandoned factories and toxic waste that cities and even rural communities have had to manage. Sterling, Illinois, represents a good example of how the IEPA worked with a rural community to clean up and repurpose an abandoned factory site.

In 1999 the Illinois River town of Sterling, population 15,000 faced devastation as its largest employer, a steel mill, filed for bankruptcy and eventually shut its doors in 2001. This 700 acre property is being reinvented with help from the State of Illinois. This blighted property became an opportunity for Sterling as the city sought to transform an eyesore at the city’s gateway into a habitat restoration and a green development project that could be a work and play destination, and hence, an economic development center (Eggemeier 2016). Integral to Sterling’s long-term redevelopment strategy, this “green catalyst” project will attract reinvestment to the community and provide an example for other post-industrial riverfront towns.

Sterling’s first step was to figure out how the abandoned factory site could be repurposed. The city established a Planning Task Force that had members from city staff, elected and appointed officials and volunteers. Sterling has also had community involvement and buy-in throughout the planning process. This task force created a Downtown Riverfront Redevelopment Plan that outlined how to redevelop the Northwestern Steel & Wire brownfield site into an ecotourism center along the river. While the plan was being developed Sterling worked with IEPA to “clean up” the brownfield site and eventually receive a “no further remediation” letter from Illinois EPA that will allow the former brownfield site to be considered clean and usable for Illinois citizens.

Once the factory site was cleaned up and deemed to be safe, the city secured a \$1.3 million IEPA Green Infrastructure Grant. Sterling provided \$681,000 in matching funds. The redevelopment project included having 9 acres of the site planted in Illinois-native prairie and wetland grasses, which will restore lost natural landscapes and will act as a storm water and air pollution filter. The project also called for the construction of an 8-foot tall wall that extends 877 feet on the site that obscures the view of the remaining factory buildings so that people can enjoy the Illinois River waterfront without having to look at the brownfield site. The plan also calls for the creation of a traditional rain gardens where rain water

can be collected and used for irrigation. There will also be a 24,000 square foot porous parking lot which will provide parking and access to the new riverfront park area.

Once phase one of the plan was complete, the IEPA and the IDNR provided a \$900,000 Mud-to-Park grant. This money paid for dredging and trucking of 60,000 cubic yards of dirt material from a local park district lake, construction site, and quarry to be used to cover the recently remediated Northwestern Steel & Wire brownfield site. This dredged material was spread over the cleaned up area to create a three foot thick dirt cap for the site.

There is still much more to be done. However, this case study shows how the IEPA collaborates with rural communities and other state and federal agencies to rehabilitate environmentally damaged industrial sites so that they can be used again to enhance a community. Sterling is now looking at a number of different amenities that can also be built on the site including a farmers' market, residential apartments, a senior living facility, and bike paths and water trails that can connect the Sterling community to the Hennepin Canal trail system.

Illinois Finance Authority

Many residents of Illinois may not be aware of the Illinois Finance Authority (IL-FA), but it provides significant financing to an array of economic and community development projects across the state using tax-exempt and taxable bonds. It can also make and guarantee non-conventional loans. It does not receive appropriated funding from the State and operates at no cost to the taxpayer. It was formed in 2004 by consolidating five smaller bonding authorities in order to more efficiently fund essential projects across the state. According to its 2015 annual report, the IL-FA, "earns revenue primarily from fees charged when facilitating and issuing federally tax-exempt conduit bonds to support capital investments for healthcare, higher and K-12 education, other non-profit 501(c)(3) organizations and for-profit entities in Illinois. The Authority also earns fees and interest in connection with its loan, guarantee and investment portfolio" (Meister 2015).

At the end of FY2015, the IL-FA managed over \$23 billion in bonded debt. In 2015, the IL-FA issued bonds, provided loans, or guaranteed loans valued at over \$2.5 billion. The IL-FA helps to finance projects in five broad categories: agriculture, business and industry, community, education, energy, and healthcare. In recent years, the IL-FA has funded projects in all six categories in rural Illinois.

Under the agriculture heading, the IL-FA supports several types of projects including a farmers' debt restructuring loan guarantee, a specialized livestock loan guarantee, a farmers' working capital guarantee, a young farmer (farm purchase) guarantee program, and a beginning farmer bond program. In 2015, the IL-FA issued 15 beginning farmer bonds valued at \$4.2 million. The IL-FA focus on agriculture helps sustain a robust farm economy by ensuring new farmers can buy land in the state.

The IL-FA business and industry category provides bonds for airport facilities, freight transfer facilities, solid waste disposal, and industrial development. The IL-FA also has a rural development loan program, a participation loan program that can be accessed by a business in collaboration with other lenders, and a small contractor bridge loan program to help small contractors bid on public construction projects. An example of a recently funded IL-FA project in this category is a \$4.0 million industrial revenue bond to help a manufacture expand their business in rural Brown County.

The community category of IL-FA bond financing includes support for 501(c)3 non-profit organizations to lease equipment and to make capital improvement. It also provides bond financing to local governments for capital improvements. It also has revenue bonds that nonprofit and commercial builders can access to construct multi-family housing developments.

In the area of education, the IL-FA provides both a lease program and a revenue bond program to help K-12 school districts, community colleges, and both public and private universities. These programs can be used to upgrade teaching and computer technologies. The bonds can also be used for capital investments such as new teaching facilities and physical plant upgrades.

The IL-FA provides two ways to support energy investments. There is a bond program to finance energy conservation projects. There is also a loan program to help support wind energy developments. Health care projects can be funded two ways through the IL-FA. There is a revenue bond program for capital projects and a finance program to help health care facilities upgrade their equipment and technology. In 2015, the IL-FA funded 12 projects with bond value of \$1.4 billion. Several of these projects were located in rural and downstate Illinois including \$127 million for Southern Illinois Healthcare system. The IL-FA also provided \$40 million to help refinance the Freeport Regional Healthcare Foundation in Stephenson County.

For more examples of the projects supported by IL-FA bond and loan financing, visit the IL-FA website (<http://www.il-fa.com>). The website has an interactive databased where visitors to the website can search for funded projects by program category, market sector, state or federal electoral district, or by county. Readers of this report can look on page 4 of this report to identify which Illinois counties are identified as rural, and then use the IL-FA website to identify the IL-FA funded projects across rural Illinois.

Illinois Housing Development Authority

The Illinois Housing Development Authority (IHDA) is a State agency devoted to providing affordable housing to Illinois residents. In 2015, the IHDA's @HomeIllinois Program helped first-time homebuyers in 81 rural counties secure 1,870 loans valued at \$170,741,387. From January 1 through December 2, 2015 IHDA's Board approved financing and tax credit allocations of approximately \$66.5 million for 7 rental housing projects for family, elderly, homeless and special needs populations in rural communities of Illinois. These funds helped develop multi-family projects in six different rural counties, including Tazewell, Macoupin, Lee, Bureau, Livingston, and Bond, and helped create or preserve 337 units of affordable housing for low-income residents of rural communities.

In addition to helping homebuyers secure loans, the IHDA helps developers build affordable housing. An allocation of Low-Income Housing Tax Credits (LIHTCs) to a proposed affordable housing development can help to generate sufficient amount of equity for the development. IHDA's Multifamily Finance Department allocates the LIHTCs through a federally required Qualified Allocation Plan (QAP), which is allocated by geographic area, which includes nonmetropolitan areas. In 2015, the Low Income Housing Tax Credit program set aside 20% of its funding toward non-metro areas.

The Illinois Affordable Housing Trust Fund was established to provide grants and loans for the acquisition, construction, and rehabilitation, of multi-family and single- family housing developments. The Illinois Affordable Housing Trust Fund has a 15% set-aside of annual funds for non-metro/rural areas.

In addition to helping create affordable housing, the IHDA has a mission to help Illinois residents learn more about housing opportunities. Each year, the IHDA hosts a conference on housing issues. It also provides awards for innovative housing developments. This past year, the conference was held on March 29-30, 2016 in Chicago. This year's winner of the Governor's Affordable Housing Champion Award for rural communities, known as the Jon Linfield Award for the most distinguished development in a rural, small town, or nonmetropolitan area was the *Maple Ridge II Apartments* in Paris, Illinois (Edgar County). This project was completed by the Laborers' Home Development Corporation.

Illinois Institute for Rural Affairs, Western Illinois University

As mentioned above the IIRA, founded in 1989, is a charter member of the GRAC. For over a quarter century, the IIRA has delivered an array of community and economic development technical assistance to rural communities. The IIRA hosts the MAPPING (Management and Planning Programs in Nonmetropolitan Groups) strategic visioning program. It adopts an asset-based, rather than a needs-based approach to help communities create plans for future development. Communities that have recently gone through the MAPPING program include Elizabeth, Savannah, and Stewardson, Illinois.

The IIRA also operates a Peace Corps Fellows (PCF) program. Returned Peace Corps Volunteers can enroll in one of 10 M.A. degree programs at WIU. After completing 2-3 semesters on the WIU campus, the PCF is assigned to an 11-month internship in a rural Illinois community. Typically, a community will have gone through the MAPPING process to identify some specific community and economic development goals. Then the PCF is placed in that community to help it achieve those goals. Currently, PCFs are serving in Savannah, Shelbyville, Hillsborough, and Lanark, IL.

Other programs operated by the IIRA include: a Small Business Development Center (SBDC) to help entrepreneurs write sound business plans to launch new businesses; a Procurement Technical Assistance Center (PTAC) to help businesses sell goods and services to local, state, and federal government agencies; a Rural Transit Assistance Center (RTAC) which provides training to rural transit drivers and helps plan for demand-response public transit services in rural communities; and the Value-Added Sustainable Development Center (VASDC) which provides assistance to renewable energy, local foods, and value added agriculture projects. VASDC has also secured a USDA Rural Cooperative Development grant to help promote cooperatives and the community-supported businesses mentioned elsewhere in this report. The IIRA is also launching a new M.A. degree in Community and Economic Development. This new degree will be offered in a hybrid fashion at the WIU-Quad Cities campus to provide students with flexibility so that they can pursue this graduate degree while working.

Rural Partners

Each year, Illinois Rural Partners engages in a series of specific projects and participates in several organizations and public policy forums to advocate for rural development issues. In 2015, the Donors Forum completed a series of workshops devoted to rural community foundations and transfer of wealth workshops. Rural Partners was the primary funding entity for the series of eight workshops that started in 2014. These workshops attracted 173 participants, including 79 agribusinesses and farmers, and 94 representatives from community foundations and other community stakeholders.

Each year, Rural Partners collaborates with the Illinois Institute for Rural Affairs (IIRA) and the Governor’s Rural Affairs Council (GRAC), chaired by the Illinois Lt. Governor, to host a statewide conference focused on rural development. This year, 255 people attended the conference hosted in Springfield, Illinois. Guest speakers included Lt. Governor Evelyn Sanguinetti, Jim Schultz, Director of the State Department of Commerce and Economic Opportunity, John Cromartie, Senior Demographer from the USDA Economic Research Service, Elizabeth de Moulpied, U.S. Centers for Disease Control, Garvester Kelley from the Chicago Federal Reserve Bank, and Gary Green, University of Wisconsin—Madison, among a range of other speakers.

Rural Partners and its constituent members work with the GRAC to update the Rural Illinois Resource Guide, which is a searchable, online database, representing the most comprehensive collection of rural development resources in Illinois. Entries in the database include federal, state, local, and nonprofit organizations with a primary mission focused on rural development, and sources of grants, low-interest and forgivable loans, technical assistance, research, and other items of interest to rural community stakeholders. Rural Partners and several constituent members successfully wrote an application to the Stronger Economies Together (SET) program. SET is a University of Illinois Extension/USDA Rural Development program. Rural Partners members also serve in advisory roles to the Illinois SET initiative.

Rural Partners and its members also participate in several rural development policy forums including the Governor’s Rural Affairs Council, University of Illinois Extension Partners, Governor’s Taskforce on the Creative Economy, the Illinois Statewide Independent Living Council, Township Officials of Illinois, the Illinois Comptroller’s Rural Advisory Board, and the National Partners for Rural America (PRA) among other forums. Long-serving Illinois Rural Partners member, Jerry Townsend, currently serves as president of PRA.

Center for Rural Health & Social Service Development, SIU School of Medicine

The Center for Rural Health and Social Service Development (CRHSSD) provides leadership and professional services – through community engagement, outreach and research – to aid in the development of the health care and social service systems of Illinois’s lower thirty-four counties. The CRHSSD brings together the resources of Southern Illinois University (SIU)—the faculty, staff and students—to work as partners with area agencies to successfully address the most pressing health and social service problems of the region.

The CRHSSD is involved in a range of activities. First, a key activity is community engagement and outreach across the 22-county service area. Specific health care and social service issues are identified through this community engagement. Consequently, the Center writes grants and develops projects to address these issues. As a complement to this, the Center also engages in research and conducts project evaluations to ensure that project objectives are being met. Research is also conducted on rural health care issues with the goal of making policy prescriptions.

Because of its affiliation with the SIU School of Medicine – with its mission of training healthcare professionals, the Center is involved in training and workforce development. It does this by completing regional training needs assessments, developing curricula for funded training projects, providing training opportunities, including those where social workers and counselors can earn continuing education units (CEUs), and identifying learning and internship opportunities for healthcare and social work students. Specific examples of the work conducted or sponsored by the CRHSSD follow below.

Healthcare Access Mobility Design Challenge.

As part of the Federal Transit Administration's (FTA) Rides to Wellness initiative, the National Center for Mobility Management (NCMM) awarded funding to 16 communities to better connect residents with health care services. The CRHSSD's Rural Medical Transportation Network and community partners representing four counties submitted a successful proposal on behalf of the lead applicant, South Central Illinois Regional Planning & Development Commission in Salem. The funding supports community teams to spend up to six months to develop solutions to address transportation to and from post-hospitalization appointments with technical assistance provided from NCMM. This collaborative is seeking further funding to continue working toward solutions to the region's non-emergency medical transportation issues.

Illinois CATCH Onto Health Network.

The CRHSSD, as the lead agency, in partnership with the Illinois CATCH onto Health Consortium (ICHHC), is facilitating the Coordinated Approach to Child Health (CATCH) in elementary schools throughout the southern 16 Illinois Delta counties. The funding for this project is through the Delta States Rural Development Network Program (DSRDN) grant from the U.S. Department of Health and Human Services' Health Resources and Services Administration. The award is part of a federal initiative to improve access to primary health care in 205 counties and parishes within the eight state Mississippi Delta Region. The primary role of the CRHSSD is to coordinate the overall project within the Illinois region and, in collaboration with the partners, establish goals and move toward sustainability of the program's successes. The project, which is active in over 75 of the 107 southern Illinois elementary schools, reflects a shift toward long term planning for healthy lifestyles based on healthy choices in the Illinois Delta.

Southern Illinois Behavioral Health Consortium (Region 5 Behavioral Health Network)

CRHSSD facilitates a consortium of regional behavioral health organizations, federally qualified health centers, Illinois state and regional mental health agencies, substance abuse treatment agencies and hospitals involved in the provision of behavioral health care. In 2012, the consortium re-aligned in partnership with SIU School of Medicine and the Illinois Hospital Association to address statewide calls for integrated and coordinated care. The consortium continues to discuss ways to address funding issues, personnel shortages, training needs, new developments and improvements in service coordination, as well as policy issues. Currently, this group is working in collaboration with the Illinois Community Behavioral Health Association, to implement a regional action plan to address the Prescription Drug/Opioid Abuse issue in the southern 33 counties of Illinois.

3rd Annual EMS Summit

The third annual EMS Summit was held April 5, 2016 at the Memorial Center for Learning and Innovation in Springfield, IL. Over 130 participants attended the this year's Summit which once again brought together EMS providers and other stakeholders from throughout the state for a day of informative updates on pertinent topics, presentations on innovative best practices, and the opportunity to discuss issues and concerns that impact the profession.

The keynote speaker was Gary Wingrove, the Director of Strategic Affairs for Mayo Clinic Medical Transport. Additionally, Mr. Wingrove is President of The Paramedic Foundation and chairs the

International Roundtable on Community Paramedicine. He presented information about current activities related to community paramedicine throughout the states, as well as provided a glimpse of what we might see coming in the future.

The EMS Summit was created on recommendation of the Governor's Rural Affairs Council (GRAC) EMS Working Group, which has annually organized and presented this gathering of EMS providers of all types and levels, as well as other organizations whose collaboration is essential to the mission of EMS. Lt. Governor Evelyn Sanguinetti, GRAC Chair, addressed Summit attendees and supports the efforts and service of Illinois EMS providers. Another highlight included an award given to Representative Don Moffitt by the Illinois EMS Alliance for being a champion for Illinois EMS during his career as a state legislator. Sponsors of the Summit included the American Heart Association, Air Methods, Illinois Rural Health Association, Illinois State Ambulance Association, Paramedic Services of Illinois, Inc., and the Southern Illinois University School of Medicine.

The GRAC EMS Working Group, which initially conceived of and planned the EMS summit is comprised of the Office of the Lt. Governor, the CRHSSD, the Center for Rural Health (Illinois Department of Public Health), the Illinois Farm Bureau, and the Illinois Institute for Rural Affairs at Western Illinois University.

University of Illinois Extension

The University of Illinois at Urbana-Champaign (UIUC), as a public research institution, has a responsibility to extend research findings beyond campus so that these new ideas can be put into practice for the betterment of society. The State of Illinois, and the University of Illinois, have been leading the nation in putting research into practice for more than 150 years. Professor Jonathan Turner, from Illinois College, led a movement in the 1850s to have states build agricultural colleges to improve farming and spur economic development (Johnson 2009). This idea was manifested in the Morrill Act, which was signed into law by President Abraham Lincoln, in 1862. The Morrill Act provided federal lands that states could use as a resource to establish colleges to teach agriculture and engineering. UIUC, founded in 1867, is the Illinois Land Grant University. In 1887, Congress passed legislation to fund agricultural experimentation stations at land grant universities. In 1914, the Smith-Lever Act was passed, which provided funds to establish cooperative extension offices at land grant universities. For more than a century, UIUC and University of Illinois Extension have served all 102 counties in Illinois, with new information and knowledge generated at Land Grant Universities.

Currently, University of Illinois Extension focuses on five areas that directly benefit rural Illinois: (i) Energy and environmental stewardship, (ii) Food safety and security, (iii) Economic development and workforce preparedness, (iv) Family health, financial security, and wellness, and (v) Youth development. These five themes are addressed through the following programs, including:

- Agriculture and Natural Sciences. These outreach programs provide technical assistance on commercial agriculture, horticulture, energy and environmental issues, and local foods and small farms. The Extension Master Gardeners program recently celebrated its 40th anniversary, noting that Master Gardeners have given more than two million volunteer hours to the state.
- Family and Consumer Sciences. These programs emphasize consumer economics, family life, and nutrition and wellness. Extension is working on a \$4.5 million USDA grant to help schools provide more nutritious meals while reducing food waste.

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- 4-H and Youth Programs. Through these programs, young people learn about environmental stewardship, agriculture, entrepreneurship, leadership, and can join in a range of local recreational opportunities. Over 200,000 young people participate in 4-H programs across Illinois each year.
 - Community and Economic Development. These programs help Illinois community members, business owners and managers, and elected officials improve community quality of life. Specific programming helps train elected and appointed public officials, provides training in community disaster preparedness, strengthens leadership skills, helps communities foster economic development, and addresses a range of other topics relevant to rural communities.

University of Illinois Extension provides Illinois residents with access to the research, new information, and knowledge generated at the University of Illinois and our nation's network of land grant institutions. Through learning partnerships that put knowledge to work, U of I Extension programs help individuals make their communities and organizations better, healthier, safer and more sustainable.

Center for Governmental Studies, Northern Illinois University

Several efforts underway at the Center for Governmental Studies (CGS) have applications to rural Illinois. Two of these initiatives involving cost sharing by public agencies and innovative financing approaches in the private sector are described below.

The CGS helped the Task Force on Governmental Consolidation and Unfunded Mandates, chaired by Lt. Governor Sanguinetti, compile input from 500 local public officials in Illinois regarding unfunded mandates and ways to deliver public services more efficiently. The Task Force results, including proposals working their way through the legislative process, will be important for some rural Illinois counties especially those with long-term population declines.

A significant share of Task Force time involved identifying and advancing cost-sharing arrangements by local governments to reduce costs of delivering services. In some documented examples, cities share firefighting equipment and specialized expertise on public safety or emergency issues. These efforts show documented cost-savings and the examples can be replicated in rural areas. Likewise, examples of school district consolidations in East-Central Illinois are documented in the Task Force report.

Continued population declines and economic stagnation in some rural counties will force residents and their elected local officials to find alternate ways to deliver services using telecommunications and technology more efficiently. Examples already exist of these initiatives and the Lt. Governor's Office is working with the CGS to promote these efforts so that they can be implemented elsewhere.

A second project underway in CGS involves national research on emerging ways in which small communities helping entrepreneurs finance businesses essential to the long-term local quality of life. Rural states such as Vermont have led the way with Community Supported Enterprises in which community groups organize investors who either take an equity position or make loans to small downtown businesses such as grocery stores, restaurants, book stores or other venues that provide a social gathering place in the community. In some instances, the investment involves local labor or in-kind services and the financial return is in product discounts or trade.

These types of activities are already underway in Illinois in the city of Washburn, IL (pop. 1,158) where a community group organized to prevent the closing of a grocery store. Residents invested in the store and made it profitable. The store was then sold to private owners who currently operate the store. A somewhat similar initiative is underway in Nauvoo, IL (pop. 1,118) where residents invested in a grocery store to maintain local access to essential food items.

These approaches represent a relatively new approach to local economic development in small communities and are likely to be the way of the future for those cities experiencing retirements by local business owners. The GRAC can use the CGS research to assist rural development efforts in several ways. First, promote successful approaches through the annual IIRA/GRAC/Rural Partners Community and Economic Development conference to share promising practices across the U.S. with Illinois residents and community leaders. Second, GRAC member agencies such as DCEO and IIRA can provide technical assistance through programs such as MAPPING the Future of Your Community to guide local initiatives in rural Illinois and help document their successes. Because the GRAC is in the unique position of having member state agencies that serve rural areas, it can collaborate on existing services as well as identify and evaluate new approaches that can be implemented in Illinois.

United States Department of Agriculture—Rural Development, Illinois

While the USDA Illinois office for Rural Development serves as an ex officio member to the GRAC because of its federal status, it has deep connections to rural Illinois. Nationally, Rural Development is one of 17 USDA federal agencies. It delivers 43 financial programs to each state through a state office which oversees multiple field offices, all staffed by federal USDA employees. In Illinois, the Rural Development State Office is located in Champaign, and the state is divided into four service areas. This is important because it means that the USDA is not a remote federal agency located in Washington, DC. Instead, the USDA works locally to help the residents of Illinois gain access to Federal financial and technical assistance resources to strengthen rural Illinois communities.

Many urban Americans might assume that the USDA's primary mission is to help farmers. While promoting productive agriculture is a huge part of what the USDA does, it also helps rural communities, businesses, homeowners, schools, and local governments to sustain rural economies and communities. It does this by providing loans, grants, and technical assistance programming. As a Federal agency, Rural Development's national loan portfolio of \$213 billion is larger than that of the World Bank at \$152 billion. In Illinois, the Rural Development loan portfolio is nearly \$4.4 billion.

In addition to providing loans and grants, Rural Development works with State, public, and private agencies to leverage funding to help complete community and economic development projects. Rural Development can finance fire trucks, storm sirens, hospitals, water, and sewer systems; finance a home requiring no down payment; finance energy efficiency projects, and much more. As a Federal agency, the scope of projects that Rural Development can bring to rural Illinois is significant, powerful and often surprising. Last year in Illinois, Rural Development helped:

- Businesses with 75 loans/grants, working to create or save 579 jobs.
- 3,680 families purchase their home or refinance into an affordable loan.
- Finance 26 community projects such as new community buildings, resulting in 373,100 rural residents enjoying community improvements.
- Fund 51 water and waste projects allowing 162,228 rural families to access safe water.

USDA Rural Development is a financial facilitator. Since 2009, Rural Development has awarded more than 42,000 loans and grants in Illinois, totaling more than \$4.4 billion. Here are some specific examples:

- \$254 million has helped rural businesses grow and succeed. From advanced biofuels manufacturing facilities to food hubs, these investments help small businesses take advantage of emerging markets for rural-made products. These investments also help rural manufacturers in Illinois increase production and capacity. Manufacturing supports 82,874 jobs in Illinois.
- \$3.2 billion has helped families in rural Illinois purchase, repair or refinance their homes. Affordable housing is critical to maintaining the rural labor force and community quality of life.
- \$125 million has helped improve community facilities throughout rural Illinois. That means more rural residents in Illinois are enjoying improved healthcare, library access, and fire protection.
- \$154 million has helped support new and improved broadband service for rural Illinois families. Broadband service helps expand access to health care, educational and cultural resources, and helps rural businesses compete in the global economy.
- \$316 million has helped fund water and waste water disposal infrastructure. As in other parts of the country, most water systems in Illinois have reached or are reaching the end of their useful/expected lives. This investment means improved health for over 868,000 rural Illinois families who now have access to clean, safe water.